83-410

No.

Office-Supreme Court, U.S.
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IN THE

Supreme Court of the United States

October Term, 1983

JUNE ROTH,

Petitioner,

against

NATHAN PRITIKIN and PATRICK M. McGRADY, JR.,
Respondents.

Petition for a Writ of Certiorari to United States Circuit Court of Appeals for the Second Circuit

---

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Questions Presented.

Whether the provisions of the Copyright Act of 1976, which came into effect on January 1, 1978, apply to a copyright application made on June 6, 1979, for a book which was contracted for in September, 1977.

Whether the presumption, that the person who hired an author in 1977 to do a book to be thereafter copyrighted was entitled to the copyright, could be constitutionally overthrown by a statute which came into force and effect on January 1, 1978.

Whether an agreement to do a literary work for a person who hires an author, which agreement makes no mention of a copyright, carries with it a property right to a copyright.

Whether an agreement, made in 1977, was enforceable to transfer title to recipes in 1977, when the quantity of recipes was not agreed upon or settled until July, 1978.

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IN THE

SUPREME COURT OF THE STATE OF NEW YORK

October Term 1983.

No.

JUNE ROTH,

Petitioner,

v.

NATHAN PRITIKIN and PATRICK M. MCGRADY, Jr.,

Respondents.

TO THE HONORABLE, THE CHIEF JUSTICE AND ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

June Roth, the petitioner herein, prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit entered in the above entitled case on June 20, 1983.

Opinions Below.

The opinion dated June 20, 1983 of the Court of Appeals for the Second Circuit whose judgment is herein sought to be reviewed is reprinted in the appendix hereto attached beginning at page A-1; it appears at 710 F.2d 934.

The opinion of the United States District Court for the Southern District of New York is also reprinted and appears in the appendix commencing at page A-14.

Jurisdiction.

The judgment of the Court of Appeals for the Second Circuit was entered on June 20, 1983. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. 1254(1).

Constitutional Provision Involved.

Article 1, Section 8, Clause 8, which empowers Congress

> "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;"

Statutes Involved.

U.S.C. Title 17, Section 101(1) (2)

> A "useful article" is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is considered a "useful article".
>
> The author's "widow" or "widower" is the author's surviving spouse under the law of the author's domicile at the time of his or her death, whether or not the spouse has later remarried.
>
> A "work of the United States Government" is a work prepared by an officer or employee of the

United States Government as part of that person's official duties.

A "work made for hire" is—

(1) a work prepared by an employee within the scope of his or her employment; or

(2) a work specially ordered or comissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

U.S.C. Title 17, Section 201(b)

(b) Works Made for Hire.—In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

U.S.C. Title 17, Section 202

Ownership of copyright as distinct from ownership of material object

Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work

is embodied. Transfer of ownership of any material object, including the copy or phonorecord in which the work is first fixed, does not of itself convey any rights in the copyrighted work embodied in the object; nor, in the absence of an agreement, does transfer of ownership of a copyright or of any exclusive rights under a copyright convey property rights in any material object.
Pub.L. 94-553, Title I, §101, Oct. 19, 1976, 90 Stat. 2568.

U.S.C. Title 17, Section 301(a)

Preemption with respect to other laws

(a) On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

U.S.C. Title 17, Section 302(a) and (b)

Duration of copyright: Works created on or after January 1, 1978

(a) In General.—Copyright in a work created on or after January 1, 1978, subsists from its creation

and, except as provided by the following subsections, endures for a term consisting of the life of the author and fifty years after the author's death.

(b) Joint Works.—In the case of a joint work prepared by two or more authors who did not work for hire, the copyright endures for a term consisting of the life of the last surviving author and fifty years after such last surviving author's death.

U.S.C. Title 17, Section 303

Duration of copyright: Works created but not published or copyrighted before January 1, 1978

Copyrigfht in a work created before January 1, 1978, but not theretofore in the public domain or copyrighted, subsists from January 1, 1978, and endures for the term provided by section 302. In no case, however, shall the term of copyright in such a work expire before December 31, 2002; and, if the work is published on or before December 31, 2002, the term of copyright shall not expire before December 31, 2027.

Statement of the Case.

This is an action for a declaratory judgment that petitioner is the owner of one-third of the copyright of a book. Federal jurisdiction in the United States District Court was based on 28 USC 1338 (Copyright Act) and 28 USC 1332 (diversity and claim in excess of $10,000).

The respondent McGrady, a free lance journalist, visited in 1976 a "Longevity Center" run by respondent

Pritikin in Santa Barbara, California. Pritikin was not a physician, had earned no degrees at any university and had no training in nutrition (Joint Appendix, 147). Nevertheless, his center offered treatment, based upon his diet and exercise plan, for persons suffering from a variety of physical afflictions.

In 1976, Pritikin and McGrady entered into an agreement, pursuant to which McGrady was primarily responsible for writing the book, *The Pritikin Program for Diet & Exercise,* with Pritikin lending his name and expertise. Publication and distribution rights were sold to Grosset & Dunlop.

It was undisputed that recipes are the most important part of a diet book. One may read the text, but it is the recipes to which interested parties keep turning. Because the Pritikin Diet suggested sweeping changes in eating habits and even respondent McGrady characterized the food Pritikin served as "rabbit food, this is dreadful stuff" (J.A. 219), there ensued a difficult task of making the program palatable.

To that end, McGrady finally approached petitioner, June Roth. She is a free-lance journalist with expertise, developed over a period in excess of 20 years, in creating recipes and articulating them. Petitioner has an undergraduate degree in journalism with a master of science degree in biochemistry, clinical nutrition. She authored over 30 books on food and, at the time of trial, did a syndicated newspaper column in about 40 newspapers, reaching 35 million readers a week.

Petitioner also writes for magazines. At the time of the trial she was the president of the American Society of

Journalism and Authors and had been the recipient of significant awards for books in her field.

Her recognition arose from her integrity and realization that the writing of recipes is a creative art which demonstrates how a diet may work. Petitioner explained that ingredients cost a great deal of money, and thus her recipes had to be written in a manner that readers could follow clearly and dependably with no waste of food (J.A. 52).

McGrady telephoned petitioner in August of 1977 and asked whether she would be interested in doing the recipes for the book. He told her then that the idea of recipes had just occurred to him. That was not true; he had already spoken to several people to do the recipes and he had found them unsatisfactory.

Petitioner and McGrady met on August 30, 1977, at which time he told petitioner that he was under tremendous financial pressure because he could not pay his rent and was under threat of being dispossesed. He reported that the publisher had refused him an advance.

He also told petitioner that he had submitted a manuscript to Dial Press in the spring of 1977, in connection with a book called *Making Love Talk*. The manuscript was rejected and funds he had counted on to extricate himself from his financial difficulties were not forthcoming. Accordingly, he pressed petitioner to accept the obligation and "please hurry up and do the recipes so I can turn them in" and get money from the publisher (J.A. 283, 284).

Petitioner agreed to help. When she asked McGrady at that meeting about the advances he received, he said he

could not tell her. Realizing that the explication of the Pritikin theories might require a hundred or more recipes, petitioner said she needed an advance of $3,000 to cover the work and she wanted a portion of the royalties for her services. McGrady said he would have to discuss the matter with Pritikin.

The courts below found, on the basis of McGrady's testimony and a letter dated September 16, 1977 (Ex. A), which he says he wrote, but which petitioner never received, that they agreed for petitioner to furnish the recipes for a flat fee of $3,000.

At McGrady's request, petitioner worked on the manuscript of the recipes from morning until midnight and weekends until she completed the initial recipes and delivered them to McGrady on October 4, 1977. McGrady rushed them to the publisher without studying them. He received an advance, out of which he paid petitioner $1,000, holding back the remainder with the question "Would you take milk out of my children's mouth?" (J.A. 39).

Another "batch" of recipes was delivered in June of 1978 and still a third in July, 1978 (J.A. 272). During the same period, petitioner was putting some of Pritikin's garbled existing recipes into "cookbookese."

Right from the beginning, petitioner claims she "nagged" McGrady about fixing her portion of royalties. At one period, his father became ill and then died. After a respectable period, petitioner again approached McGrady. On each occasion, he put petitioner off by saying he had to talk to Pritikin. He never did.

Upon the delivery by petitioner of her last recipes and the corrected Pritikin recipes in July, 1978, the book was completed and its first publication was June 15, 1978. The application for copyright was filed on June 6, 1979, and it was taken in the names of respondents, Pritikin and McGrady.

No mention was made in the copyright application that any part of the book was a "work for hire" (Ex. B hereto annexed).

The courts below found that petitioner and respondents entered into an agreement prior to January 1, 1978, for petitioner to deliver recipes for inclusion in the book; that, as a result of that contract, the right to copyright petitioner's recipes passed to respondents, and that accordingly, the Copyright Act which went into force and effect on January 1, 1978, did not govern the issues, although the application for the copyright was not made until June 28, 1979.

Reasons for Granting the Writ.

I.

The decision below conflicts with applicable decisions of this Court and has created principles of copyright law which merge the property right in a book with the copyright, contrary to the nature and essence of copyright.

In deciding that since petitioner entered into an agreement to deliver the recipes prior to January 1, 1978, the effective date of the new Copyright Act, the Court of Appeals also decided she transferred to the respondents her property interest in the recipes and this effected a transfer to them of the right to copyright her recipes.

In doing so, the Court of Appeals decided the case directly contrary to a long line of cases which distinguish the property interest in a work from the copyright interest. This Court, since at least 1834, has held that the property interest in a work is different from the copyright, and that Congress has the absolute right to apply conditions to the granting of a copyright which must be met.

In *Wheaton v. Peters*, 33 U.S. 591, 657, 8 Pet. 591, 8 L.Ed. 1055, this Court held:

> "That an author at common law, has a property in his manuscript, and may obtain redress against any one who deprives him of it, or by improperly obtaining a copy, endeavors to realize a profit by its publication, cannot be doubted; but this is a very different right from that which asserts a perpetual and exclusive property in the future publication of the work after the author shall have published it to the world.
>
> * * *
>
> (Page 663, 664). "This right, as has been shown, does not exist at common law—it originated, if at all, under the acts of congress. No one can deny, that when the legislature are about to vest an exclusive right in an author or an inventor, they have the power to prescribe the conditions on which such right shall be enjoyed; and that no one can avail himself of such right who does not substantially comply with the requisitions of the law.
>
> * * *

> (Page 665). "All the conditions are important; the law requires them to be performed; and, consequently, their performance is essential to a perfect title."

To the same effect is *American Tobacco Co. v. Werckmeister*, 207 U.S. 284, 294, 28 S.Ct. 72, 52 L.Ed. 208 (1907), where the Court referred to Lord Mansfield's characterization of a copyright as "a property in notion, and has no corporaal tangible substance," and also stated:

> ". . . the statute must be read in the light of the intention of Congress to protect this intangible right as a reward of the incentive genius that has produced the work."

In order to protect and reward authors, Congress has continued and codified the idea that ownership in the work to be copyrighted is different from ownership of the future right to reproduce which is the essence of copyright. Title 17, §202, specifically states:

> "Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied."

In no version of the arrangement between the parties offered by the respondents is the slightest suggestion that petitioner transferred the right to copyright to them, not even in the letter which respondent McGrady offered, which the Court of Appeals stated was "his version of the agreement" (Exhibit A).

Accordingly, it was entirely gratuitous for Judge Kaufman to state (710 F.2d 939) that "a subsequently enacted statute which purported to divest Pritikin and McGrady of their interest in the copyright by invalidating the 1977 agreement could be viewed as an unconstitutional taking."

Respondents had no interest as such in the copyright when the new statute came into effect on January 1, 1978. All that existed at that time, so far as respondents were concerned, was a rebuttable presumption of copyright in their favor. Assuming the satisfaction of all the conditions precedent to the acquisition by an individual contractor of the right to copyright prior to the actual issuing of a copyright, he would have only a rebuttable presumption to a copyright. A clear exposition of this rule appears in *Scherr v. Universal Match Corporation*, 417 F.2d 497, 500 (2 Cir., 1969), where the Court of Appeals held with respect to the law as it existed prior to January 1, 1978:

> " 'Authors and proprietors', according to §9 of the Copyright Law, 17 U.S.C. §9, are entitled to the copyright of a work of art. By §26, 17 U.S.C. §26, an 'author' is further defined to include 'an employer in the case of works made for hire.' This is not to say, however, as the literal language of the statute might imply, that an employer and an employee are precluded as a matter of law from agreeing that the copyright in the resulting work shall vest in the employee. See, generally, Nimmer, Copyright §62.1 (1968). Rather, §26 merely creates a rebuttable presumption of copyright in the employer, a presumption which can be overcome by evidence of a contrary agreement between the parties. *Id., Brattleboro Publishing Co. v. Winmill*

> *Publishing Corp.*, 369 F.2d 565, 567-568 (2 Cir. 1966) (Kaufman, J.); *Yardley v. Houghton Mifflin Co.*, 108 F.2d 28 (2 Cir. 1939), cert. denied, 309 U.S. 686, 60 S.Ct. 891, 84 L.Ed. 1029 (1940) (presumption rests upon presumed intention of parties); *Kinelow Publishing Co. v. Photography in Business, Inc.*, 270 F.Supp. 851 (SDNY 1967). But see in *Brattleboro, supra* at 569 (concurring opinion, Lumbard, Ch. J.) (no rebuttable presumption to be overcome—intention of parties controlling)."

Since Congress has the power "to prescribe the conditions on which such right (to copyright) shall be enjoyed" (*Wheaton v. Peters*, 33 U.S. 591, 664, 8 Pet. 591, 664, 8 L. Ed. 1055), Congress changed the presumption in the new Act. Where an author is not in another's employ, the work is not a work for hire now unless it is (17 U.S.C. §201[b][2]):

> "a work specifically ordered or commissioned for use as a contribution to a collective work . . . if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire."

There was no such writing.

There is no property right in the kind of presumption enjoyed by respondent. *U.S. v. Provident Trust Co.*, 291 U.S. 272, 54 S.Ct. 389, 78 L.Ed. 793, cited *Lincoln v. French*, 105 U.S. 614, 616, 617, and quoted with respect to presumptions:

> "No conclusive character attaches to them. They may always be rebutted and overthrown."

The reluctance of the courts below to disregard the earlier presumption obviously stemmed from their confusing the presumption with rules of substantive law. Else there was no reason for the Court of Appeals to state, as it did, "An interest in a copyright is a property right protected by the due process and just compensation clauses of the Constitution."

Respondents had no copyright when the new Act went into effect. The presumption was not the equivalent of a property right. As Mr. Justice Sutherland stated for this Court in *Heiner v. Donnan*, 285 U.S. 312, 329, 52 S.Ct. 358, 78 L.Ed. 772:

> "A rebuttable presumption clearly is a rule of evidence which has the effect of shifting the burden of proof, *Molule, J & K. C.R. Co. v. Turnipreed*, 219 U.S. 35, 43; and it is hard to see how a statutory rebuttable presumption is turned from a rule of evidence into a rule of substantive law as the result of a later statute making it conclusive."

It is even more difficult to see how a statutory rebuttable presumption is turned into a rule of substantive law as the result of a later statute which overthrows it.

In applying the new statute to the facts, there would be no retrospective application. The application for the copyright was made on June 6, 1979, a year and a half after the statute came into effect. In deciding that applying the statute would be retrospective, the courts overlooked the basic principle that copyright is a monopoly which may be achieved only if the conditions set by Congress are met.

This Court stated in *FHA v. The Darlington, Inc.*, 358 U.S. 84, 89-91, 92-93, 79 S.Ct. 141, 3 L.Ed. 2d 132:

> ". . . those who do business in the regulated field cannot object if the legislative scheme is buttressed by subsequent amendments to achieve the legislative end."

And in *Fleming v. Rhodes*, 331 U.S. 100, 107, 91 L.Ed. 1368, 1373, 67 S.Ct. 1140, it was said:

> "Immunity from federal regulation is not gained through forehand contracts."

The control of the copyright scheme is specifically given by Congress by Article 1, Section 8, Clause 8, which empowers Congress

> "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;"

The decision of the Court of Appeals negates entirely the statutory scheme of joint ownership of copyrights.

> "A copyright is of statutory origin and can be obtained only in the manner pointed out by the statute which prescribes the conditions under which a copyright may be obtained" (18 Am. Jur. 2d, Copyright and Literary Property, §54; *Silverman v. Sunrise Pictures Corp.*, 273 F. 909, 2 Cir., 1921).

The statute has always demanded that common-law rights be abandoned when copyright is obtained.

> "Common-law literary property rights, including motion picture rights, are abandoned or extinguished when the owner of the work obtains a copyright for his literary production under the federal statutes; . . . (18 Am. Jur. 2d, Copyright and Literary Property, §84, p. 374, citing cases)."

By preempting all legal and equitable rights with respect to copyrights (17 U.S.C. §301[a]), Congress was doing no more than regulating what it had the right to regulate. By no stretch of the imagination could there be found anything in the contract, which the District Court found to exist between the parties, which could result in characterizing the application of the new Act as retrospective.

The Court may take judicial notice that books are often years in the writing after contracts have been signed. The application of the new statute to contracts made before its effective date will be a recurring problem. If the decision of the Second Circuit Court of Appeals in the case is permitted to persist, the perception that copyright, the right to reproduce in the future, is different from the right to own, will be extinguished and significant portions of the new statute rendered meaningless.

In sum, what the decisions below accomplish is to grant to respondents a copyright, which is given an extended life under the new Act (Title 17, §5, 302, 303), and to hold that the other provisions of the Act do not apply to respondents.

II.

The court below created a contract when there was none.

The parties did not agree until July of 1978 on the quantity of recipes which petitioner was to create and deliver.

It is essential to a contract for goods or services that the quantity be agreed upon. No such agreement took place in the case at bar. The contract was vague and indefinite.

The law in New York is clear. If an essential element of a contract is left open for future negotiations, there is no enforceable agreement (*St. Regis Paper Co. v. Hubbs & Hastings Co.*, 235 N.Y. 30, 36 [1923]). The federal courts have uniformly given recognition to the aspect of New York law which requires the quantity of the subject of a contract to be fixed or ascertainable without further negotiations. In *T.A. Corp. v. Kalso Systemet, Inc.*, 568 F.2d 145, 147 (10 Cir., 1977), the Court said:

> "The January 29 meeting occurred in New York City, and it is agreed that New York contract law applies. The New York law of contracts requires a meeting of the mind on all essential terms of a contract. *Ansorge v. Kane*, 244 N.Y. 395, 155 N.E. 683, 684 (1927). A term is 'essential' if it seriously affects the rights and obligations of the parties. *Ginsberg Machine Co., Inc. v. J. & H. Label Processing Corp.*, 341 F.2d 825, 828 (2nd Cir. 1965). In a sales contract, quantity is an essential term. *King v. Krischer Mfg. Co., Inc.*, 220 App.Div. 584, 222 N.Y.S. 66, 68 (1927). To attempt to fix quantity by such terms as 'fair share' is too indefinite. *Varney*

v. Ditmars, 217 N.Y. 223, 111 N.E. 822, 824 (1916)."

The District Court found that the letter of September 16, 1977 (Exhibit B) was consistent with McGrady's testimony with respect to the agreement between the parties. While at first blush, it would seem that a requirement to supply three weeks of menus and recipes and then a week of gourmet recipes and then two weeks of family recipes and single recipes provides for an ascertainable amount, on analysis it turns out to be purely ephemeral.

McGrady analyzed his arrangement with petitioner and testified that the number of recipes had not been agreed upon.

The amount was something that would have to be worked out later, with McGrady, with the publisher and with Pritikin. That would take place over the period of time Roth worked on the book and even afterwards, in editorial discussions. The parties did not really reach agreement until July, 1978, six months after the statute went into effect, when plaintiff delivered the last batch of recipes.

A menu is distinguished from a recipe in that a menu might be a regimen of food or a meal, while a recipe has specific application to a particular item within a meal.

Thus, the number of recipes for a breakfast would depend on the cook's creativity. As McGrady agreed, the statement that there were required recipes for a day was meaningless insofar as numbers were concerned. That would be true of recipes for a week, a month or a year.

Since there was no agreement reached, even according to McGrady, until well into 1978, there was no agreement by which petitioner gave up any rights.

CONCLUSION.

The writ of certiorari should be granted.

Dated: New York, New York
September 1, 1983

Respectfully submitted,

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APPENDIX A.

Opinion of U. S. Court of Appeals, Second Circuit.

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 1322—August Term, 1982

(Argued June 2, 1983 Decided June 20, 1983)

Docket No. 83-7013

JUNE ROTH,

Plaintiff-Appellant,

—against—

NATHAN PRITIKIN and PATRICK M. MCGRADY, JR.,

Defendants-Appellees.

Before:

KAUFMAN, PRATT, and GIBSON*,

Circuit Judges.

Appeal by the plaintiff from a judgment entered on an order of the United States District Court for the Southern

* Of the United States Court of Appeals for the Eighth Circuit, sitting by designation.

District of New York, Thomas P. Griesa, *Judge*, finding the plaintiff had no interest in the copyright of a book and dismissing her complaint.

Affirmed.

KAUFMAN, *Circuit Judge*:

Contracting parties often discover they might have gained a more advantageous arrangement than their original bargain if they had the power of clairvoyance. Not infrequently, with the benefit of hindsight, one may come to believe the terms agreed upon at a time past, unfairly

deprived him of the compensation which, because of later events, seems more appropriate.

In the dispute before us, June Roth created certain recipes which were incorporated into what proved to be a best-selling book. She now invokes the Copyright Act of 1978 to challenge a district judge's determination that she entered into a valid contract, accepting $3,000 as full compensation for her labors. The facts are important to the resolution of this issue, and accordingly, we set them forth in some detail.

I

In 1976, Patrick McGrady, a prominent medical writer and free-lance journalist, visited Nathan Pritikin's "Longevity Center" in Santa Barbara, California. The Center offered treatment, based upon Pritikin's diet and exercise plan, for persons suffering from a variety of physical afflictions. After spending almost one month at the clinic, McGrady was impressed with the program's apparent success, and in November 1976 wrote an article for *Woman's Day* magazine discussing Pritikin's nostrums.

McGrady's story sparked a great deal of interest in the publishing community. Accordingly, he received several inquiries urging him to write a book on the subject. In December 1976 McGrady and Pritikin entered into an agreement, pursuant to which McGrady was primarily responsible for writing the book. Pritikin would lend his name and expertise to the endeavor. Publication and distribution rights were sold to Grosset & Dunlop.

The authors realized their tome would benefit from the inclusion of recipes which would assist readers in adhering to the strict dietary requirements of the Pritikin

regimen. Following several unsuccessful encounters with other authors in the Spring of 1977, McGrady approached June Roth, a free-lance writer, specializing in food and health matters. She had previously contributed to a number of cookbooks, and had written several articles on food-related topics. Roth agreed in principle to create the recipes, and McGrady provided her with a list of dietary specifications embodied in the Pritikin program.[1]

McGrady and Roth met on August 30, 1977 to discuss the details of Roth's participation in the endeavor. McGrady asked Roth what compensation she would require, suggesting a price of "several hundred dollars." Roth rejected this offer, and they compromised on a payment of either $1,500 in addition to a portion of the royalties from serialization rights, or, alternatively, a flat fee of $3,000. Roth disputes McGrady's account of the August 30 accord, asserting they agreed to a $3,000 advance on her share of the book's royalties.

On September 16, 1977 McGrady mailed Roth a letter acknowledging his version of the agreement. He stated Pritikin preferred a $3,000 flat fee, and asked her to respond "if this does not accord with your understanding." Several days later McGrady telephoned Roth and

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[1] The list of foods prohibited by the Pritikin diet reads like the shopping list of a typical American family. Roth was directed to omit fats, high-fat foods, salt, whole milk products, cholesterol-rich items, sugars and many prepared foods and condiments from her recipes. Replacing these commonplace items were complex carbohydrates such as whole grains, vegetables and fruits. The emphasis of the regimen was on natural substances, cooked simply, often merely steamed. As one might imagine, one of the shortcomings of a diet plan based upon these strict requirements was the lack of variety in meals. Roth was charged with the difficult task of making the program palatable to the average American.

orally reconfirmed their arrangement. Roth disputes either of these communications was made.

In October 1977 Roth delivered her recipes. She received $3,100 for her labors. An initial check for $1,000 was dated November 11, 1977 and included a notation—"one-third payment for recipes." Two other checks for $1,100 and $1,000 were mailed in March 1978 and March 1979, respectively.

The book, *The Pritikin Program for Diet & Exercise*, was finally published in the Spring of 1979. It became an immediate success and remained on best-seller lists for a full 52 weeks. By the date of trial, Pritikin and McGrady had realized royalties in excess of $1,000,000, and, as one might expect, Roth's pride at the book's favorable reception was tempered by the realization that her financial reward was marginal. She complained to McGrady, and made several requests for additional compensation. Ultimately she refused McGrady's offer of payment of $2,000 beyond the sum she had already earned.

Roth finally filed suit in the Southern District of New York, asserting she had never enter into a valid contract concerning payment for her recipes, and alternatively, if any such agreement had been made, it was rendered invalid because of the subsequent enactment of the Copyright Act of 1978. The defendants answered, claiming she accepted $3,000 as full compensation.

A three-day bench trial was conducted in December 1982. After considering the testimony of the witnesses, including Roth, Pritikin, McGrady, Julian Bach (the literary agent) and others, and viewing the documentary materials submitted by the parties, Judge Griesa delivered an oral opinion. The district judge concluded Roth entered into a binding contract in August 1977, consenting to accept $3,000 in return for creating recipes. Accord-

ingly, the district court determined Roth was a "writer for hire" with no interest in the copyright pursuant to the law extant at the time the agreement was executed. Finally, the judge rejected Roth's claim that the 1978 Act applied retroactively and therefore invalidated the accord concerning Roth's participation in the book.

Roth appeals from the judgment entered on Judge Griesa's order, renewing her original assertions that there was no initially valid agreement, and in any event, that the subsequently enacted Copyright Act altered the rights and obligations of the parties and voided the compact. We find these claims of error to be without merit, and accordingly, we affirm the judgment.

II

Roth's initial challenge may be disposed of briefly. Notwithstanding appellant's attempt to denigrate the district judge's findings of fact, his conclusion that she entered into a lawful contract was fully supported by the evidence adduced at trial, and there is no basis for rejecting it as clearly erroneous. *See* Fed. R. Civ. P. 52(a); *United States* v. *Yellow Cab Co.*, 338 U.S. 338 (1949); *Stafford* v. *International Harvester Co.*, 668 F.2d 142 (2d Cir. 1981).

McGrady's testimony concerning the oral agreement was corroborated by letters mailed to Pritikin discussing the terms of Roth's employment. In addition, the notation on the margin of Roth's first check indicated it was a one-third payment for her services, and appellant did not challenge the validity of this memorandum or attempt to clarify the perceived ambiguity in the terms of her arrangement with McGrady. Moreover, when pressed on cross-examination, Roth admitted there was no explicit

statement by McGrady that the $3,000 represented an advance on royalties, but she merely "construed" their conversation as indicating this was the bargain reached.[2]

In sum, the evidence adduced at trial was inconsistent, and the judge was free to draw conclusions based upon his perception of the witnesses' credibility and demeanor. *Newman* v. *Local 1101, Communication Workers of America, A.F.L.-C.I.O.*, 597 F.2d 833, 836 (2d Cir. 1979). Roth has not met her burden of demonstrating the district court's findings were clearly erroneous, and accordingly, we must decline her invitation to reverse them.

III

We now reach the core legal issue presented in this dispute. The parties agree that if the oral contract between Roth and McGrady is governed by the law in effect in 1977, it was proper, and divested appellant of any rights she might otherwise have possessed to a share of the publication's royalties.[3] The parties disagree, however,

2 The judge's findings were also supported by the testimony of Julian Bach, a witness who had little stake in the outcome of the dispute. Bach stated he spoke with appellant on several occasions in 1980, and although she admitted she had no right to additional compensation, she asked whether Bach thought Pritikin and McGrady might grant her additional remuneration in view of the book's success. In addition, Bach noted a $3,000 fee was not, on the basis of his experience, an unusually meager stipend for a writer of Roth's stature.

3 Roth created the recipes at McGrady's request, *see Siegel* v. *National Periodical Publications, Inc.*, 508 F.2d 909 (2d Cir. 1974), and Pritikin and McGrady retained the right to supervise her work and reject the meal plans at their discretion. *See Scherr* v. *Universal Match Corp.*, 417 f F.2d 497, 500 (2d Cir. 1969), *cert. denied*, 397 U.S. 936 (1970). In the absence of evidence to the contrary, ownership of the copyright would, accordingly, be presumed to lie with the "person at whose instance and expense the work [was] done." *Brattleboro Publishing Co.* v. *Winmill Publishing Corp.*, 369 F.2d 565, 567 (2d Cir. 1966); *see Yardley* v. *Houghton Mifflin Co.*, 108 F.2d 28 (2d Cir. 1939), *cert. denied*, 309 U.S. 686 (1940).

on the significance of the Copyright Act of 1978. Appellant asserts all copyrights are governed by the new Act, and accordingly, her rights as the author of a substantial portion of the book must be determined with reference to this statute. The appellees assert the 1978 Act has no impact upon agreements entered into prior to its effective date. Because we believe the Act's language, its legislative history, and generally applicable rules of statutory interpretation all mandate prospective application of the rules governing work for hire agreements, we reject appellant's contentions.

Pursuant to the new statute, the creator of a "work for hire" has no ownership interest in a copyright. 17 U.S.C. § 201(b). That term is defined in the Act as

> (1) a work prepared by an employee within the scope of his or her employment; or (2) a work specially ordered or commissioned for use as a contribution to a collective work . . . if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

17 U.S.C. § 101. Except for the requirement that the agreement be memorialized in a writing, this definition would clearly apply to Roth. As we have indicated, however, Roth's understanding with Pritikin and McGrady was not transcribed, and accordingly, she asserts her contribution should not be viewed as a work for hire.

Resolution of this issue, of course, depends on the Act's application to the present dispute. Roth contracted to furnish the recipes in 1977, prior to the statute's enactment. Appellant, however, asserts this date is of little moment, since in her view the Act applies retrospectively. She relies on Section 301:

> On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 [which] . . . come within the subject matter of copyright as specified by sections 102 and 103, *whether created before or after that date* . . . are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

(emphasis supplied). The italicized language, Roth claims, demonstrates a clear congressional intent to apply the provisions of the 1978 Act to all copyrights in effect on the date of enactment.

Roth's interpretation of § 301, while imaginative, is wholly unsupported by the congressional intent, as indicated both by the terms of that provision and its legislative history. Fairly read, § 301 merely provides the rights accruing to the owner of a copyright, those "specified in section 106," are defined pursuant to the 1978 Act, rather than prior law. Whoever holds an interest in a copyright on or after January 1, 1978, has a right to the protections afforded by the new statute, although the creative work may previously have been governed by the 1909 Act or the common law. Section 301 does not, however, purport to determine who holds a copyright for works created before January 1978. It merely clarifies the rights of individuals owning copyrights on that date, whomever they may be.

Prior to the enactment of the 1978 Act, copyright interests in published works were controlled by the 1909 Copyright Act. Unpublished material enjoyed virtually perpetual protection under state common law. *See Gold-*

stein v. *California*, 412 U.S. 546 (1973); *Meltzer* v. *Zoller*, 520 F. Supp. 847, 853 (D.N.J. 1981). This dual system proved unwieldy, particularly in view of technological advances which diminished the importance of publication as the principal factor determining which body of law applied. Cognizant of these shortcomings in existing law, Congress passed the 1978 Act to implement a uniform system of copyright protection applicable to all creative works. The statutory language upon which Roth relies merely indicates that all copyrights, whether previously governed by the common law or by the 1909 Act, were thereafter to be controlled by the provisions of the 1978 statute.

The legislative history of § 301 makes clear a congressional intent to preempt previous law and replace the labyrinth of statutory and common law authority with a single, generally applicable federal statute.

> Instead of a dual system of "common law copyright" for unpublished works and statutory copyright for published works, . . . the bill adopts a single system of Federal statutory copyright from creation . . . . Common law copyright protection for works coming within the scope of the statute would be abrogated, and . . . a single Federal system [would be substituted for] the present anachronistic, uncertain, impractical, and highly complicated dual system.

H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 129 (1976), *reprinted in* [1976] U.S. Code Cong. & Ad. News 5659, 5745; *see also* H.R. Conf. Rep. No. 94-1733, 94th Cong. 2d Sess. 78-79 (1976), *reprinted in* [1976] U.S. Code Cong. & Ad. News 5810, 5819-20.

Nothing in the House or Senate reports accompanying the proposed Copyright Act evinces an intention to have

the work for hire provisions retroactively apply. The total absence of consideration of the issue by the drafters would be sufficient to undercut Roth's claim, for it is well-settled "that a retrospective application will not be given a statute . . . unless such be 'the unequivocal and inflexible import of the terms, and the manifest intention of the legislature.' " *Union Pacific R.R. Co.* v. *Laramie Stock Yards Co.*, 231 U.S. 190, 199 (1913) (citations omitted); *see United States* v. *Security Indus. Bank*, 51 U.S.L.W. 4007, 4010 (U.S. Nov. 30, 1982); *Green* v. *United States*, 376 U.S. 149, 160 (1964).

Moreover, the Copyright Act, although passed by Congress on October 19, 1976, was not made effective until January, 1978. It would seem anomalous for the legislature to defer the effective date of the Act if it intended the statute, when implemented, to govern retrospectively. *See Ocean & Atmospheric Science, Inc.* v. *Smyth Van Lines, Inc.*, 446 F. Supp. 1158, 1159 (S.D.N.Y. 1978).

Although the issue raised by Roth appears to be relatively novel, one Circuit Court has commented on the retroactivity of the work for hire standard, and has declined to adopt the position appellant urges this Court to accept. *May* v. *Morganelli-Heumann & Assoc.*, 618 F.2d 1363, 1368 n.4 (9th Cir. 1980). In addition, Professor Nimmer, a noted authority on copyright law, argues in his treatise that the 1978 Act does not affect the ownership rights of persons holding copyrights prior to January 1978. 3 *Nimmer on Copyright*, § 10.03[B][2] (1982) ("[I]t is necessary to determine the identity of the common law copyright owner upon such preemption date in order to determine who succeeded to statutory copyright ownership.")

Although the language of the Act, its legislative history and rules of statutory interpretation are sufficient

answers to Roth's claim, we note, *en passant*, adoption of her interpretation of § 301 would, in addition, raise a serious issue concerning the Act's constitutionality. *See* 1 *Nimmer on Copyright*, *supra*, at § 1.11. An interest in a copyright is a property right protected by the due process and just compensation clauses of the Constitution. *See Loretto* v. *Teleprompter Manhattan CATV Corp.*, 102 S. Ct. 3164 (1982); *Pruneyard Shopping Center* v. *Robins*, 447 U.S. 74, 82 n.6 (1980). The agreement between Roth and the appellees, pursuant to which Roth surrendered any rights she might otherwise have obtained in the copyright, was valid when it was entered into, and a subsequently enacted statute which purported to divest Pritikin and McGrady of their interest in the copyright by invalidating the 1977 agreement could be viewed as an unconstitutional taking. *See, e.g.*, *Pennsylvania Coal Co.* v. *Mahon*, 260 U.S. 393 (1922); *Penn Central Transportation Co.* v. *New York City*, 438 U.S. 104 (1978); *see also* Michelman, *Property, Utility, And Fairness: Comments On The Ethical Foundations of "Just Compensation" Law*, 80 Harv. L. Rev. 1165 (1967). Resolution of this issue is not required for our holding, and will have to wait for an appropriate case.

Moreover, the district court failed to make any findings relevant to this question, and accordingly, we do not decide whether retroactive application would, in fact, violate constitutional restrictions. Even the spectre of a constitutional issue concerning the proper application of the "takings clause", however, is sufficient cause to construe the statute to provide for exclusively prospective relief, particularly in the absence of any clear congressional mandate to the contrary. *United States* v. *Security Indus. Bank*, *supra*, 51 U.S.L.W. at 4010; *Lorillard* v. *Pons*, 434 U.S. 575, 577 (1978); *Crowell* v. *Benson*, 285 U.S. 22, 62 (1932).

We are of the view, therefore, that Roth knowingly and purposefully entered into a contract in 1977. She consented to create recipes for inclusion in a book in return for $3,000. Accordingly, we affirm the district court.

Decision of District Court, Southern District of New York

(428)

JUNE ROTH

v.

NATHAN PRITIKIN and PATRICK M. MCGRADY

82 Civ. 1076
(TPG)

New York, New York
December 22, 1982

Decision of the Court.

The Court: This case has been tried to the Court without a jury. It was agreed that the trial held relates to the basic issues of liability and that if liability were found, there would be a second stage of the trial to determine matters such as the claim for accounting and other matters relating to damages or any other form of monetary relief.

The present statement constitutes the Court's findings of fact and conclusions of law on the issues of liability.

It is my determination that defendants are not liable to plaintiff and that the case should be dismissed. Consequently, there will be no second stage of the trial.

This action relates to a book published in 1979 by

Grosset & Dunlap entitled "The Pritikin Program For Diet and Exercise." The book was by Nathan Pritikin and Patrick M. McGrady, Jr. Messrs. Pritikin and McGrady are the defendants in the action.

(429) The action is brought by Mrs. June Roth. Plaintiff Roth contributed a substantial amount of material which was included in the book, and this material consisted of the bulk of the recipes contained in the book. Certain other recipes were provided by associates of Mr. Pritikin.

However, even these Pritikin recipes were revised and worked over by plaintiff so that it is fair to say that plaintiff made a very major contribution to the book.

The book consists of about 350 pages before appendices, an index, and glossaries.

The section which plaintiff contributed, consisting of a few menus and a large number of recipes, runs from pages 219 to the end of the book before the appendix. That runs through page 351.

The recipes which were revised by plaintiff are contained on pages 124 through 148.

Plaintiff contends that, by virtue of her contribution, she is a co-author or joint author of the book, and is a one-third owner of the book and its copyright.

Defendants contend that they hired plaintiff to provide recipes and revise recipes, and that there was an agreement with her to provide this material and do this work for a flat fee of $3,000.

They contend that this was so-called work for hire, within the meaning of the law, under which plaintiff (430) did not become a copyright owner of this material, and that defendants are the copyright owners of this material, as well as the rest of the book.

Alternatively, defendants contend that even if plaintiff owned the copyright in her material when she originally wrote it, she assigned her copyright to defendants for the flat sum of $3,000.

The basic facts are as follows, Certain crucial conflicts in the testimony will be discussed.

On December 17, 1976, a contract was entered into between Grosset & Dunlap, publishers, and Pritikin and McGrady, as authors, for a book dealing with Pritikin's theories and programs for diet and exercise.

By this time, Pritikin had become well known for the ideas about diet and exercise; McGrady had studied the Pritikin methods and had written an article about them.

McGrady is an author who had become interested in various subjects connected with physical health and the medical profession.

The collaboration for the book involved Pritikin supplying his expertise and ideas and McGrady supplying at least a great deal of the writing.

It was recognized from the outset that recipes would be needed for inclusion in the book in order to translate certain of the Pritikin theories into terms which (431) a reader could use in carrying out the theories.

Pritikin resides in California, McGrady resided, at least part time, in New York. McGrady inquired about who could supply recipes and was referred to Mrs. Roth. They met on August 30, 1977.

There is a conflict between the testimony of Mrs. Roth and McGrady about what occurred at the meeting. According to both, there was a ready agreement to have Mrs. Roth undertake preparation of recipes. It was understood that these recipes would need to conform to certain strict requirements of Pritikin's dietary concepts. For instance, the recipes would need to eliminate fats, regular sugar, etc. However, Mrs. Roth was willing to undertake the project.

The conflict in testimony arises with respect to the question of compensation and rights in the book. Mrs. Roth has testified that she insisted on an advance and a portion

of the book, as she puts it. She also says that she insisted on being listed on the cover of the book.

According to McGrady, two alternative concepts were discussed. The first alternative was that she would be paid, Mrs. Roth would be paid $1,500 and would have the right to a portion of any receipts from magazine articles which were taken from the book and included some of her recipes. Another alternative concept was a flat fee of (432) $3,000.

According to McGrady, the meeting ended with the understanding that Pritikin had to approve whatever arrangement was made and that Mrs. Roth preferred the flat fee of $3,000, but would be willing to accept the other alternative.

According to McGrady, there was no request by Mrs. Roth to have her name on the cover.

According to Mrs. Roth, the meeting ended up with the understanding that McGrady would present to Pritikin her request for a $3,000 advance, future rights to a portion of the book and the right to have her name on the cover.

According to Mrs. Roth, she went to work on the recipes immediately and delivered the recipes in early October.

According to her, no agreement on her rights and compensation was reached. In other words, according to her testimony, she supplied the material but there was no agreement between the partes as to her rights and compensation.

According to her tetimony, her insistence on the terms she allegedly requested was never responded to with a definite yes or no, and there was simply no agreement.

According to McGrady, he checked with Pritikin, Pritikin agreed to the flat fee of $3,000, and sometime (433) in September, McGrady, according to his testimony, confirmed orally to Mrs. Roth that the payment would be a flat fee of $3,000.

McGrady wrote Pritikin on September 9, 1977, outlining, among other things, the two alternative compensation proposals that he has testified about, and asking for Pritikin's views.

According to McGrady's testimony, he also wrote Mrs. Roth on September 16th confirming the two alternative proposals, and saying that these were being submitted to Pritikin.

Copies of the September 9th and September 16th letters are in evidence.

Mrs. Roth denies receiving the September 16th letter. Mr. McGrady testified that his oral confirmation of the $3,000 alternative was made shortly after September 16th.

In any event, as I have said, Mrs. Roth furnished the recipes she was requested to provide, and she did this in early October as a result of extensive work carried out by her between late August and early October.

Subsequently she received certain recipes from Pritikin's colleagues and worked over these so that they could be used in the book.

She also worked with an editor at Grosset & Dunlap on the portion of the book for which she was (434) responsible.

The book was published in the spring of 1979. It went on to the best seller list almost immediately and remained there for a year.

Mrs. Roth was paid the $3,000 in three installments. On November 11, 1977, she received a check for $1,000 from McGrady. It contained a notation as follows: "One-third payment for recipes."

Mrs. Roth has testified that she paid no particular attention to this notation, although she did object to McGrady that she was not receiving the full $3,000. Her testimony is she was complaining about failure to receive the full $3,000 advance.

She received a second check on March 15, 1978. This happened to be for $1,100. The reason for the extra $100 is not clear and there is no need to go into this detail for present purposes.

She received a third check for $1,000 on March 31, 1979.

As I said earlier, the book was published in the spring of 1979 and was a best seller. Pritikin and McGrady had received a $100,000 advance from the publisher. They have earned total royalties, including the advance, of approximately $1 million.

Mrs. Roth's testimony is that she first received (435) the book or a copy of the book in December 1979. The events occurring thereafter are the subject of conflicting testimony between Mrs. Roth, on the one hand, and Mr. McGrady and the authors' literary agent, Julian Bach, on the other hand.

Mrs. Roth has testified that when she saw the book in December 1979, she was shocked and told McGrady that she strongly objected to her name not being included on the cover and would expect to have her name included on the cover of the paperback.

Shortly thereafter, she saw that there was no mention of her name on the cover of the paperback.

She has testified that at certain times after December 1979, she requested additional compensation from McGrady, and failing in this request, she discussed the matter with the agent, Julian Bach.

The meaning of her testimony about her talks with McGrady is not entirely clear. However, for present purposes, I will assume that this testimony can be interpreted to indicate that she was requesting to be considered a co-author and was asking for a share of the royalties.

According to her testimony, she was always (436) put off with some statement that the matter would be considered.

When was the suit filed?

Mr. Haydon: February 24th or 25, 1981, your Honor.

The Court: Failing to receive satisfaction, she brought suit in February 1981.

McGrady's testimony is that beginning sometime after December 1979, there were several occasions when Mrs. Roth asked him as a favor for more money, specifically saying that she recognized she was not entitled to anything, but asking for a favor because of the great success of the book.

According to McGrady's testimony, in each instance, he would say she was entitled to more money, in the sense of being willing to do her a favor. He offered, according to his testimony, to double the amount of payment and pay approximately another $3,000.

On each such occasion, according to Mr. McGrady she would say that she wanted the money from Pritikin, that she regarded McGrady as a friend, did not want his money, and always insisted that she would take no legal action. He recalls one instance in 1980 where she did mention specifically a percentage of the royalties in some (437) fashion, and McGrady said that that would not be possible.

McGrady has testified that Mrs. Roth's communications with him were solely in terms of asking for a favor despite the fact that she was not legally entitled to anything more than what she had received.

Julian Bach also testified that Mrs. Roth approached him to see if she might receive more money for her recipes, although she recognized she did not have a legal right to it.

Bach agreed to refer the matter to Pritikin, and indeed, on November 19, 1980, he wrote Pritikin. Among the statements in the November 19, 1980 letter is one to the effect that Mrs. Roth admits that she has no contract that would entitle her to any further payments.

This brings me to the legal conclusions.

A new copyright statute became effective January 1, 1978, and consequently, to the extent that the new statute might alter the substantive rights of the parties, it does not apply.

My reference hereafter to the law are to the law which applied prior to January 1, 1978.

In the copyright field there is a concept of work for hire. If an author hires to supply certain materials for inclusion in a book, and it is understood that this other person is not going to be one of the authors, (438) and is not going to be one of the owners of the book or have rights to the book, the arrangement is referred to as one for work for hire.

Two of the factors which are considered in determining whether something is work for hire or not are as follows:

The first such factor is whether the author of the main part of the book or the main author of the book induced or originated the idea of the other person doing the work.

Another is whether the main author has the right to control what the other person was writing and providing.

These are only two of the factors which can be considered and should be considered, depending on the circumstances of the case, the factors are referred to in cases in the Second Circuit and elsewhere.

Defendants concede in this case that they have the burden of showing that the situation is one relating to work for hire.

A further feature of the law, at least prior to January 1, 1978, was that once there was a finding of work for hire, there is a rebuttal presumption that the copyright belongs to the so-called employer or the main author.

As an alternative theory to the work for hire (439) theory, defendants contend that even if Mrs. Roth was the

author of her recipes when she wrote them and had a copyright in them as of that time, her transfer of the recipes and her other work to Pritikin and McGrady constituted an assignment of her copyright.

We have had a discussion as to who has the burden of proof one way or the other on that issue, and the Court has not been presented with authorities conclusive one way or the other. But this is not of great moment in view of the circumstances of my overall rulings.

I hold and conclude that the defendants have proved by a preponderance of the evidence that there was an agreement for Mrs. Roth to supply recipes of her own and to work on recipes of the Pritikin organization for a flat fee of $3,000.

I have noted the sharp conflict of testimony between Mrs. Roth and McGrady. In my view, the balance tips in favor of the defendants on the issue in view of the following circumstances:

There are the letters of September 9th and September 16, 1977. Even if Mrs. Roth did not receive the September 16, 1977 letter, these letters do at least constitute contemporaneous records of discussions in terms consistent with the testimony of McGrady.

Another circumstance is the letter of Julian (440) Bach dated November 19, 1980 to Mr. Pritikin, which is consistent with his version of conversations at that time with Mrs. Roth.

Another circumstance is the failure of Mrs. Roth to make any memorandum of her understanding of the state of the negotiations, her failure to take any steps to obtain a contract of the kind she asserts she requested, giving her a right to ownership in the book, her failure to make any complaint or follow-up request for such rights from the time of her discussions in the fall of 1977, all the way to

the winter of 1979, months after the book had been published.

Even according to her own testimony, there was this two-year lapse during which time she did nothing to assert her rights or the rights she alleges she was insisting on.

She is a professional writer. She is now the president of a writers' organization, she is familiar with practices in the field of writing books, and if she indeed was expecting to have a share in the copyright and ownership of the book, she took no effective steps to assert that claim, for a very long period of time.

Unfortunately, this makes it difficult to accept her version of the facts as distinct from the defense version.

(441) The conclusion I have reached on the facts leads me to the further conclusion that this was a work for hire in which Mrs. Roth obtained no copyright, the copyright vesting solely and exclusively in Pritikin and McGrady.

For the reasons I have stated, plaintiff's complaint must be dismissed and judgment will be entered in favor of defendants.

I will expect the judgment to be settled and if we can, have this disposed of next week.

There are no counterclaims, I take it.

Mr. Haydon: No, your Honor.

The Court: So it's just a simple judgment dismissing the complaint.

All right.

Judgment of U.S. District Court, Southern District of New York.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

JUNE ROTH,

Plaintiff,

against

NATHAN PRITIKIN and PATRICK M. MCGRADY, Jr.,

Defendants.

81 Civ. 1076 (TPG)

This action having come on for trial before the Hon. Thomas P. Giesa, United States District Judge, sitting without a jury, on December 20, 1982, and all the issues having been duly tried by counsel for the plaintiff and counsel for both defendants, and a decision and opinion having been duly rendered by the Court,

It is hereby Ordered and Adjudged,

That the plaintiff take nothing, that the action be dismissed on the merits, and that defendants Nathan Pritikin and Patrick M. McGrady, Jr. recover from the

plaintiff their respective costs and disbursements, to be taxed by the Clerk of the Court.

Dated: New York, New York
December 30, 1982

THOMAS P. GRIECA
U.S.D.J.

Judgment Entered 12/30/82
RAYMOND F. BURCHARDT

U. S. District Court
Filed
Dec. 30 1927
S.D.N.Y.

Exhibit A—Letter Dated September 16, 1977.

September 16, 1977

Mrs. June Roth
1057 Oakland Ct.
Teaneck N.J. 07666

Dear June,

This letter will confirm our understanding whereby you will supply Nathan Pritikin and me with three weeks of menus and recipes consonant with the Pritikin Diet, and to provide before the end of September, 1977 a week of gourmet recipes, and within the following six weeks two weeks of family recipes and siggees' recipes.

You have proposed two means of compensation for your work. The first would be payment of $3000 for all rights to the recipes. The second would be payment of $1500, plus one-half of all monies accruing from magazine or newspaper serialization of the book—in direct proportion to the actual space occupied in the excerpts by the recipes. (Thus, if *Woman's Day* paid $10,000 for serialization of the book, and 40% of the space was devoted to your recipes, you would receive $2000 from that serialization.)

Which of these methods we shall use shall be decided by Nathan Pritikin, and I shall inform you of his decision as soon as I hear from him on the matter.

Payment of your baseline compensation ($1500 or $3000) will be made by us from our shares of the advance, payable in three equal installments from the next three payments from our publisher, Grosset & Dunlap.

If this does not accord with your understanding of our agreement, please let me know promptly.

Warmest regards,

APPENDIX B.

Copyright Application.

LIBRARY OF CONGRESS

Copyright Office of the United States

WASHINGTON, D.C.

THIS IS TO CERTIFY THAT THE ATTACHED IS A TRUE COPY OF THE APPLICATION ON FILE IN THE COPYRIGHT OFFICE REGISTRATION NUMBER

TX 263-340

IN TESTIMONY WHEREOF, THE SEAL OF THIS OFFICE IS AFFIXED HERETO ON

February 3, 1982

David L. Ladd

REGISTER OF COPYRIGHTS

DO NOT WRITE ABOVE THIS LINE. IF YOU NEED MORE SPACE,

(1) Title

TITLE OF THIS WORK:

THE PRITIKIN PROGRAM FOR DIET & EXERCISE

If a periodical or serial give: Vol. ..... No. ..... Issue Date .....

PUBLICATION AS A CONTRIBUTION: (If this work was published as a the collective work in which the contribution appeared.)

Title of Collective Work: .....

REGISTRATION NUMBER

TX 263-340

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EFFECTIVE DATE OF REGISTRATION

(Month) JUN (Day) 5 (Year) 1979

A 28

E CONTINUATION SHEET (FORM TX/CON)

PREVIOUS OR ALTERNATIVE TITLES:

tribution to a periodical, serial, or collection, give information about

Vol. ..... No. ..... Date ..... Pages .....

(THIS PAGE INTENTIONALLY LEFT BLANK)

(2)
Author(s)

IMPORTANT: Under the law, the "author" of a "work made for hire" is generally the employer, not the employee (see instructions). If any part of this work was "made for hire" check "Yes" in the space provided, give the employer (or other person for whom the work was prepared) as "Author" of that part, and leave the space for dates blank.

1

NAME OF AUTHOR: Nathan Pritikin, co-author

DATES OF BIRTH AND DEATH: Born ..... (Year) Died ..... (Year)

Was this author's contribution to the work a "work made for hire"? Yes..... No ..X..

AUTHOR'S NATIONALITY OR DOMICILE: Citizen of USA (Name of Country) or Domiciled in ..... (Name of Country)

WAS THIS AUTHOR'S CONTRIBUTION TO THE WORK: Anonymous? Yes..... No ..X.. Pseudonymous? Yes..... No ..X..

AUTHOR OF: (Briefly describe nature of this author's contribution) Co-author of entire work

If the answer to either of these questions is "Yes," see detailed instructions attached.

2

NAME OF AUTHOR: Patrick McGrady, co-author

DATES OF BIRTH AND DEATH: Born ..... (Year) Died ..... (Year)

Was this author's contribution to the work a "work made for hire"? Yes..... No.....

AUTHOR'S NATIONALITY OR DOMICILE: Citizen of USA (Name of Country) or Domiciled in ..... (Name of Country)

WAS THIS AUTHOR'S CONTRIBUTION TO THE WORK: Anonymous? Yes..... No ..X.. Pseudonymous? Yes..... No ..X..

AUTHOR OF: (Briefly describe nature of this author's contribution) Co-author of entire work

If the answer to either of these questions is "Yes," see detailed instructions attached.

3

NAME OF AUTHOR:

DATES OF BIRTH AND DEATH: Born ..... (Year) Died ..... (Year)

Was this author's contribution to the work a "work made for hire"? Yes..... No.....

AUTHOR'S NATIONALITY OR DOMICILE: Citizen of ..... (Name of Country) or Domiciled in ..... (Name of Country)

WAS THIS AUTHOR'S CONTRIBUTION TO THE WORK: Anonymous? Yes..... No..... Pseudonymous? Yes..... No.....

AUTHOR OF: (Briefly describe nature of this author's contribution)

If the answer to either of these questions is "Yes," see detailed instructions attached.

A 29

3 Creation and Publication	YEAR IN WHICH CREATION OF THIS WORK WAS COMPLETED: Year...1978... (This information must be given in all cases)
4 Claimant(s)	NAME(S) AND ADDRESS(ES) OF COPYRIGHT CLAIMANT(S): Nathan Pritikin and Patrick McGrady c : Julian Bach Literary Agency, Inc. : East 48th Street New York, NY 10017
	TRANSFER: (If the copyright claimant(s) named here in space 4 are differ claimant(s) obtained ownership of the copyright.)

DATE AND NATION OF FIRST PUBLICATION:

Date January 15, 1979
(Month) (Day) (Year)

Nation USA
(Name of Country)

(Complete this block ONLY if this work has been published)

A 30

ent from the author(s) named in space 2, give a brief statement of how the

ANUFACTURERS AND LOCATIONS: (If this is a published work consisting preponderantly of nondramatic literary material in English, the law ay require that the copies be manufactured in the United States or Canada for full protection. If so, the names of the manufacturers who performed cer- n processes, and the places where these processes were performed must be given. See instructions for details.)

NAMES OF MANUFACTURERS	PLACES OF MANUFACTURE
L. R. Donnelly & Sons Co.	1009 Sloan St., Crawfordsville, IN 47933

(7) Manufacturing

EPRODUCTION FOR USE OF BLIND OR PHYSICALLY-HANDICAPPED PERSONS: (See instructions)

- Signature of this form at space 10, and a check in one of the boxes here in space 8, constitutes a non-exclusive grant of permission to the Library of Congress to reproduce and distribute solely for the blind and physically handicapped and under the conditions and limitations prescribed by the regulations of the Copyright Office: (1) copies of the work identified in space 1 of this application in Braille (or similar tactile symbols); or (2) phonorecords embodying a fixation of a reading of that work; or (3) both.

a ☒ Copies and phonorecords b ☐ Copies Only c ☐ Phonorecords Only

(8) License For Handicapped

EPOSIT ACCOUNT: (If the registration fee is to be charged to a eposit Account established in the Copyright Office, give name and mber of Account.)

Name .....
Account Number .....

CORRESPONDENCE: (Give name and address to which correspondence about this application should be sent.)

Name: Grosset & Dunlap, Inc.
Address: 51 Madison Avenue
New York, NY 10010 Att. Louise Bates

(9) Fee and Correspondence

A 32

ERTIFICAT ON: * . he undersigned, hereby certify that I am the: (Check one)

☐ author ☐ other copyright claimant ☐ owner of exclusive right(s) ☐ authorized agent of: Nathan Pritikin and Patrick McGrady
(Name of author or other copyright claimant, or owner of exclusive right(s))

of the work identified in this application and that the statements made by me in this application are correct to the best of my knowledge.

Handwritten signature: (X) Louise Bates

Typed or printed name: Louise Bates Date: 4/10/79

10 Certification (Application must be signed)

Crosset & Dunlap, Inc.
(Name)
51 Madison Avenue
(Number, Street and Apartment Number)
New York, NY 10010 Attention: Louise Bates
(City) (State) (ZIP code)

MAIL CERTIFICATE TO
05 JUL 1979
(Certificate will be mailed in window envelope)

11 Address For Return of Certificate

A 33

17 U.S.C. § 506(e): Any person who knowingly makes a false representation of a material fact in the application for copyright registration provided for by section 409, or in any written statement filed in connection with the application, shall be fined not more than $2,500.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1978-260-082/8

Rev 1978 - 100,000

APPENDIX C.

Complaint.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

JUNE ROTH,

Plaintiff,

v.

NATHAN PRITIKIN and PATRICK M. MCGRADY, Jr.,

Defendants.

The Plaintiff, JUNE ROTH, by her attorney, ROBERT A. ROTH, complaining of the above-named Defendants, alleges as follows:

1. JURISDICTION, VENUE AND NATURE OF CLAIM

1.1 This is an action for a Declaratory Judgment as to ownership of a Copyright, protected under Title 17 of the United States Code, and for an accounting of profits from the licensing of a copyrighted work by the Defendants, and for a money judgment for one-third of said profits from the licensing of said copyrighted work.

TX 263-340

EXAMINED BY: .....

CHECKED BY: RA-B

CORRESPONDENCE:

☐ Yes

DEPOSIT ACCOUNT FUNDS USED:

☐

DO NOT WRITE ABOVE THIS LINE. IF YOU NEED ADDITIONAL SPACE,

VIOUS REGISTRATION:

- Has registration for this work, or for an earlier version of this work, already been made in the Copyright
- If your answer is "Yes," why is another registration being sought? (Check appropriate box)

☒ This is the first published edition of a work previously registered in unpublished form.
☒ This is the first application submitted by this author as copyright claimant.
☐ This is a changed version of the work, as shown by line 6 of this application.

- If your answer is "Yes," give: Previous Registration Number .....

MPILATION OR DERIVATIVE WORK: (See instructions)

PREEXISTING MATERIAL: (Identify any preexisting work or works that this work is based on or incor

{ .....
{ .....

MATERIAL ADDED TO THIS WORK: (Give a brief, general statement of the material that has been ad

{ .....
{ .....

	APPLICATION RECEIVED: 26 JUN 1979	FOR COPYRIGHT OFFICE USE ONLY
	DEPOSIT RECEIVED: 26 JUN 1979 26 JUN 1979	
	REMITTANCE NUMBER AND DATE 264031 JUN 26 79	

USE CONTINUATION SHEET (FORM TX. CON)

Office? Yes ..... No	**5** Previous Registration
Year of Registration	
	6 Compilation or Derivative Work
porates.)	
.....	
ded to this work and in which copyright is claimed.)	
.....	

A 31

1.2 Jurisdiction in the Federal District Court is founded upon 28 U.S.C. 1338, since this action arises under the Federal Copyright Laws.

1.3 Jurisdiction in the Federal District Court is also founded upon 28 U.S.C. 1332, since the matter in controversy exceeds the sum or value of $10,000.00, exclusive of interest and costs, and is between citizens of different states.

1.4 The Southern District of New York is the proper venue of this action, since both Defendants employ an agent, Julian Bach Literary Agency, Inc., with offices at 747 Third Avenue, New York, New York, within the Southern District of New York, and since the Defendants have licensed the copyrighted work to be published by several publishers, magazines, newspapers, book clubs and other media, all with offices located within the Southern District of New York, and since said publishers are presently in possession of undistributed royalties accrued to the authors of said copyrighted work.

2. PARTIES

2.1 Plaintiff, JUNE ROTH, is a professional writer and author of 27 published books in over 40 different editions, on the subjects of food, health and cooking, and is also a nationally syndicated newspaper columnist and a writer for national magazines.

2.2. Defendant NATHAN PRITIKIN is the founder and director of the Longevity Center and the Pritikin Research Foundation. He maintains offices at the Longevity Center at 1121 East Cabrillo Blvd., Santa Barbara, California, and is also a resident of Santa Barbara, California.

2.3 Defendant PATRICK M. McGRADY, Jr. is a professional writer who has published several books and numerous magazine articles. He presently resides at Star Route No. 1, Port Ludlow, Washington.

3. CAUSE OF ACTION

3.1 The three above-mentioned parties are the co-authors of a book entitled *The Pritikin Program for Diet & Exercise,* hereinafter referred to as the "BOOK", which was published by Grosset & Dunlap in May 1979, and also in paperback by Bantam Books in June 1980, and has also been published in book club editions by Literary Guild in November 1979 and by Macmillan Book Club in February 1980, and has been excerpted, digested and serialized in *Family Circle* magazine in November 1978, in *Cosmopolitan* magazine in November 1979, in *Book Digest* between September 1979 and December 1979, in *The New York Post* between April and May of 1979, and by United Features Syndicate between July and December of 1979, and has been serialized by and licensed to other magazines, newspapers and media, not presently known to the Plaintiff. The BOOK was on the Best Seller Lists of the *New York Times* and *Publisher's Weekly* for over one year.

3.2 The Plaintiff developed and wrote the recipe section that comprises over one-third of the BOOK.

3.3 For her work on said BOOK, Plaintiff has received $3,000.00 to date.

3.4 Plaintiff did not make any written contract in regard to said BOOK.

3.5 Plaintiff wrote her part of the BOOK at the request of Defendant Patrick McGrady, with the full knowledge and consent of Defendant Nathan Pritikin.

3.6 Two Defendants have obtained a copyright on the BOOK in their own names, and did not include the name of the Plaintiff as a co-author on the cover, the title page or the copyright.

3.7 The Defendants and/or their agents have licensed the authors' rights in the BOOK to numerous publishers, book clubs, magazines, newspapers, syndicates and other media, and have repeatedly licensed the specific portion of the book written by the Plaintiff for republication and syndication.

3.8 Defendants have received, or are due to receive advances and royalty payments for the use of said licensed rights, in a total amount that is not presently known to the Plaintiff, but which is known to Defendants or their agents, or can be determined by them with reasonable diligence.

3.9 The amount of advances and royalties received or accrued to date is certainly in excess of $400,000.00, and upon information and belief is in excess of $800,000.00.

3.10 Defendants have failed and refused to date to make any accounting of their profits to Plaintiff, and have failed and refused to give Plaintiff any exact figures as to the royalty earnings of the BOOK.

3.11 As one of three co-authors, who has written over one-third of the BOOK, the Plaintiff is entitled to ownership of one-third of the copyright, and is also entitled to

one-third of the profits and royalties received by or due to the authors of said BOOK.

3.12 Plaintiff is entitled to an accounting of all of the advances, profits and royalties received, earned or due to be received in connection with said BOOK and all related publications, serializations and other rights associated with said BOOK.

WHEREFORE, PLAINTIFF PRAYS for a Declaratory Judgment declaring the Plaintiff to be the owner of one-third of the copyright of the BOOK, and for a judgment requiring the Defendants to account to the Plaintiff for all of their advances, profits and royalties received, earned or due to be received in connection with said BOOK and any and all related publications, serializations and other rights associated with said BOOK, and for a money judgment for one-third of all of the advances, profits and royalties received by or due to the authors of said BOOK, which amount is not presently known to the Plaintiff, but which is in excess of $133,000.00, and which upon information and belief is in excess of $266,000.00, to date, plus interest, costs, fees and expenses of this action.

Respectfully submitted,

ROBERT A. ROTH
Attorney for Plaintiff
1775 Broadway
New York, N.Y. 10019
(212) 757-3111

Answer of Defendant Nathan Pritikin.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

JUNE ROTH,

Plaintiff,

against

NATHAN PRITIKIN and PATRICK M. MCGRADY, Jr.,

Defendants.

81 Civ. 1076 (TPG)

Defendant Nathan Pritikin, by his attorneys Milgrim Thomajan Jacobs & Lee P.C., for his answer:

1.1 Denies the averments of paragraph 1.1 of the complaint.

1.2 Denies the averments of paragraph 1.2 of the complaint.

1.3 Denies the averments of paragraph 1.3 of the complaint.

1.4 Denies the averments of paragraph 1.4 of the complaint, except admits that the Southern District of New York is the proper venue of this action.

PARTIES

2.1 Denies knowledge or information sufficient to form a belief as to the truth of the averments in paragraph 2.1 of the complaint.

2.2 Admits the averments of paragraph 2.2 of the complaint.

2.3 Denies knowledge or information sufficient to form a belief as to the truth of the averments in paragraph 2.3 of the complaint.

CAUSE OF ACTION

3.1 Denies each of the averments in paragraph 3.1 of the complaint.

3.2 Denies the averments of paragraph 3.2 of the complaint.

3.3 Admits the averments of paragraph 3.3 of the complaint.

3.4 Denies knowledge or information sufficient to form a belief as to the truth of the averments of paragraph 3.4 of the complaint.

3.5 Denies the averments of paragraph 3.5 of the complaint.

3.6 Admits the averments of paragraph 3.6 of the complaint.

3.7 Denies the averments of paragraph 3.7 of the complaint, except to admit that Mr. Pritikin or his agent has licensed the authors' rights in the Book, to various publishers, book clubs, magazines and newspapers.

3.8 Denies knowledge or information sufficient to form a belief as to the truth of the averments in paragraph 3.8 of the complaint, except admits that he has received advances and royalty payments.

3.9 Admits the averments of paragraph 3.9 of the complaint.

3.10 Admits the averments of paragraph 3.10 of the complaint.

3.11 Denies the averments of paragraph 3.11 of the complaint.

3.12 Denies the averments of paragraph 3.12 of the complaint.

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

4.1 Prior to the commencement of the within action and on or about November, 1977, plaintiff agreed to accept the sum of $3,000.00 as full payment for her services and rights in connection with the book which is the subject of this action and said amount has been paid.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE

5.1 Plaintiff had notice of all the facts, of all the acts, of all the circumstances herein and nevertheless refrained from commencing this action until March of 1981, and has thereby been guilty of such laches as should in equity bar said plaintiff from maintaining this action.

WHEREFORE, defendant, Nathan Pritikin, prays for judgment dismissing with the Complaint against him, together with the costs and disbursements of this action.

Dated: New York, New York
June 1, 1981

MILGRIM THOMAJAN JACOBS & LEE
Professional Corporation

By (Illegible)
A Member of the Firm
Attorneys for Defendants
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
(212) 867-6660

Answer of Defendant Patrick M. McGrady, Jr.

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

JUNE ROTH,

Plaintiff,

against

NATHAN PRITIKIN and PATRICK M. MCGRADY, Jr.,

Defendants.

81 Civ. 1076 (TPG)

Defendant, Patrick M. McGrady, Jr. by his attorneys, Shapiro, Shiff, Beilly, Rosenberg & Fox, answering the complaint of the plaintiff, states as follows:

JURISDICTION, VENUE AND NATURE OF CLAIM:

FIRST: Denies each and every allegation contained in paragraphs designated "1.3" and "1.4" of the complaint except to admit that the Southern District of New York, is the proper venue of this action.

SECOND: Denies any knowledge or information sufficient to form a belief as to each and every allegation contained in paragraphs designated "1.1" and "1.2" of the complaint.

PARTIES

THIRD: Denies any knowledge or information sufficient to form a belief as to each and every allegation contained in paragraphs designated "2.1" and "2.2" of the complaint.

FOURTH: Admits the paragraphs marked "2.3" of the complaint.

CAUSE OF ACTION

FIFTH: Denies any knowledge or information sufficient to form a belief as to each and every allegation contained in paragraph designated "3.8" of the complaint.

SIXTH: Denies each and every allegation contained in paragraphs designated "3.1", "3.2", "3.4", "3.5", "3.7", "3.11" and "3.12" of the complaint.

SEVENTH: Admits paragraphs designated "3.3", "3.6", "3.9" and "3.10" of the complaint.

AS AND FOR A FIRST SEPARATE AND DISTINCT AFFIRMATIVE DEFENSE:

EIGHTH: Prior to the commencement of the within action and on or about November, 1977, plaintiff agreed to accept the sum of $3,000.00 as the agreed upon payment for her alleged rights herein, and said amount has been paid.

AS AND FOR A SECOND SEPARATE AND DISTINCT AFFIRMATIVE DEFENSE:

NINTH: Plaintiff had notice of all the facts, of all the acts, of all the circumstances herein and nevertheless refrained from commencing this action until March of 1981, and has thereby been guilty of such "laches" as should in equity bar said plaintiff from maintaining this action, which action allegedly accrued in 1977.

AS AND FOR A THIRD SEPARATE AND DISTINCT AFFIRMATIVE DEFENSE:

TENTH: The alleged agreement under which plaintiff is seeking the relief complained of herein, was by its nature and terms required to be in writing, and said alleged agreement or any note or memorandum thereof was never made or requested by the plaintiff in writing, or ever subscribed by the party to be charged therewith, or his lawful agent as required by law and accordingly, said defendant herewith pleads the statute of frauds as a complete defense herein.

AS AND FOR A FOURTH SEPARATE AND DISTINCT AFFIRMATIVE DEFENSE:

ELEVENTH: On or about October and November of 1977, defendants paid and delivered to the plaintiff the sum of $1,000.00 as part payment of the sum of $3,000.00 and the balance of $2,000.00 was paid to the plaintiff after numerous conversations in which, plaintiff had negotiated with defendants and said plaintiff accepted the same in full satisfaction and discharge of any amount due her under the alleged contract set forth in the complaint and accordingly, there is in fact and in law an "Accord and Satisfaction."

AS AND FOR A FIFTH SEPARATE AND DISTINCT AFFIRMATIVE DEFENSE:

TWELFTH: The alleged agreement referred to in the complaint herein is void for want of any consideration for said agreement by reason of all the facts and circumstances contained herein.

AS AND FOR A SIXTH SEPARATE AND DISTINCT AFFIRMATIVE DEFENSE:

THIRTEENTH: Plaintiff fails to state a cause of action.

WHEREFORE, the defendant, Patrick M. McGrady, Jr., hereby respectfully demands judgment dismissing the complaint herein, together with all costs and disbursements of this action, plus all attorneys' fees and all other costs as may be provided by the Court.

Dated: New York, New York
May 21, 19871

SHAPIRO, SHIFF, BEILLY, ROSENBERG & FOX

by STANLEY N. ALBERT
Attorneys for Defendant Patrick M. McGrady Jr.
225 Broadway
New York, N.Y. 10007
(212) 267-9020
File No. S-"A" 9448

To:

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Attorney for Plaintiff
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Milgrim, Thomajan, Jacobs & Lee, P.C.
By George L. Graff, Esq.
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Office-Supreme Court, U.S.
FILED
OCT 12 1983
ALEXANDER L. STEVAS,
CLERK

No. 83-410

IN THE

Supreme Court of the United States

October Term, 1983

JUNE ROTH,

Petitioner,

–against–

NATHAN PRITIKIN and
PATRICK M. McGRADY, JR.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF FOR RESPONDENT NATHAN PRITIKIN IN OPPOSITION

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QUESTIONS PRESENTED

1. Did the court of appeals properly affirm the district court's factual finding that petitioner June Roth agreed to a flat fee of $3,000 as full compensation for her rights to the recipes she created for *The Pritikin Program for Diet & Exercise* (the *Pritikin Program*)?

2. Did the court of appeals properly hold that the question of whether Roth's agreement to transfer her rights in the recipes had to be in writing was to be determined by the copyright laws in effect in 1977, when the agreement was made and when Roth completed and delivered the recipes to respondents, rather than under the Copyright Act which became effective on January 1, 1978 (the "1978 Act")?

3. Would retroactive application of the 1978 Act to invalidate Roth's agreement to accept $3,000 as full compensation for her recipes deprive respondents of a valuable property interest they had acquired from Roth for good consideration and thereby violate the due process and just compensation clauses of the Fifth Amendment?

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Union Pacific R.R. Co. v. Laramie Stock Yards Co., 231 U.S. 190 (1913)..... 5

CONSTITUTIONAL AND STATUTORY PROVISIONS

United States Constitution, Amendment V:

No person shall be . . . deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

17 U.S.C. § 106:

Subject to sections 107 through 118, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works based upon the copyrighted work;

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; and

(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly.

17 U.S.C. § 204(a):

A transfer of copyright ownership, other than by operation of law, is not valid unless an instrument of conveyance, or a note or memorandum of the transfer, is in writing and signed by the owner of the rights conveyed or such owner's duly authorized agent.

17 U.S.C. § 301(a):

On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

No. 83-410

IN THE

Supreme Court of the United States

OCTOBER TERM, 1983

JUNE ROTH

Petitioner,

-against-

NATHAN PRITIKIN and PATRICK M. MCGRADY, JR.,

Respondents.

ON PETITION FOR WRIT OR CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF FOR RESPONDENT NATHAN PRITIKIN IN OPPOSITION

COUNTERSTATEMENT OF THE CASE

Plaintiff in this copyright case is seeking to be declared a "co-author" of *The Pritikin Program for Diet & Exercise* (The "Pritikin Program") on the basis of her contribution of a portion of the recipes contained in the work. After a trial without jury, the United States District Court for the Southern District of New York (Griesa, J.) dismissed her claim, based upon its factual finding that she had orally agreed, in August of 1977, to transfer her rights in the recipes to defendants for payment of a flat fee of $3,000. The district court's finding was supported by ample testimonial evidence as well as several contemporaneous docu-

ments. See (Tr. Ex. M, Pritikin App. R. 1; Tr. Ex. A, Roth App. A. 26; Tr. Ex. B, Pritikin App. R. 3)*

On appeal to the United States Court of Appeals for the Second Circuit, plaintiff challenged the sufficiency of the evidence and argued that, in any event, her agreement was unenforceable since it was not supported by a signed writing as required by the Copyright Act which went into effect on January 1, 1978. The Court of Appeals rejected those arguments and unanimously affirmed. *Roth v. Pritikin*, 710 F.2d 934 (2d Cir. 1983). In an opinion by Judge Kaufman, the court held that the District Court's factual finding that Roth agreed to relinquish her rights was "fully supported by the evidence." *Id.* at 937. The court also held that Roth's agreement with respondents was valid and binding under the copyright law in effect when the agreement was made, and that Congress did not intend the writing requirements of the 1978 Act to retroactively invalidate existing agreements. *Id.* at 937-39. Finally, the court observed that a contrary result—applying the writing requirements of the 1978 Act to invalidate agreements entered into prior to 1978—would "raise a serious issue concerning the Act's constitutionality". *Id.* at 939.

REASONS FOR NOT GRANTING CERTIORARI

Point I

None of The Traditional Considerations For Granting Certiorari Is Present In This Case

The Court of Appeals' opinion consists essentially of three holdings: first, that the district court's factual finding that Roth agreed in 1977 to accept a flat fee of $3,000 in exchange for all her rights in the recipes was fully supported by the evidence

---

* Throughout this brief, Trial Exhibits will be cited as "Tr. Ex.: and the Appendix attached hereto will be cited as "Pritikin App." In addition, the appendix to Roth's petition for certiorari will be cited as "Roth App." Finally, unless specifically indicated otherwise, all emphasis has been added by respondent.

and was not clearly erroneous; second, that Roth's agreement with respondents was valid and binding under the copyright laws in effect when the agreement was made and performed, and third, that Congress did not intend the 1978 Act to retroactively invalidate the agreement and to take from respondents, without compensation, the valuable property interest which respondents had acquired for good consideration.

Of these three holdings, the first, a routine review of a trial court's factual determination, would hardly appear to warrant scrutiny by this Court, and the second—the validity of the agreements under pre-1978 law—is not disputed by Roth. 710 F.2d at 937. The court of appeals' third holding, though disputed by Roth, is clearly consistent with the language and purpose of the 1978 Act, the decisions of other circuits and decisions of this Court. Nor is that holding of such national importance as to require consideration by this Court on the merits.

Only one other court of appeals has considered whether the writing requirements contained in the 1978 Act apply to agreements entered into, or work commissioned, prior to January 1, 1978, and the decision in that case agrees with the holding below. In *May v. Morganelli-Heuman & Associates*, 618 F.2d 1363 (9th Cir. 1980), plaintiff, an architect, sued defendants for copyright infringement regarding architectural drawings created by plaintiff prior to January 1, 1978. In the absence of an express agreement, defendants, who had commissioned the drawings, alleged that they, not plaintiff, were the copyright owners under the "work for hire" doctrine as it existed when the drawings were created.*

The Ninth Circuit concluded that, under the 1978 Act, the work for hire defense would be unavailable to defendants as a matter of law, since there was no written agreement so providing. *Id.* at 1368 n.4. However, the court declined to apply the 1978 Act retroactively and remanded the case for trial on the question of whether a work for hire relationship existed under

* For a brief description of the work for hire doctrine under pre-1978 law, *see* the Second Circuit's discussion in the instant case, 710 F.2d at 937 n.3.

pre-1978 law. *Id.* at 1369. In support of its refusal to apply the 1978 Act retroactively, the court referred to Professor Nimmer's discussion of the "serious constitutional issues" which would be raised by such retroactive application. *Id.* at 1368 n.4., *citing* 1 M. Nimmer, *Nimmer on Copyright* §§ 1.11, 5.03[B](2)(C).

Other than the *May* case, and the one at bar, the question of retrospective application of the 1978 Act's writing requirement has not been raised before any other circuit court. As only two appellate courts have faced this issue in the almost six years the 1978 Act has been in effect, and since the decisions of those courts are consistent, Supreme Court review of this issue would appear to be unnecessary. And, with each passing month, the likelihood of new litigation challenging the validity of pre-1978 agreements concerning copyright ownership grows smaller.

Point II

The Court Of Appeals' Decision Was Plainly Correct

The Court of Appeals' holding that the 1978 Act did not retroactively invalidate Roth's agreement with respondents is fully supported by the language of the Act, its legislative history, and several rulings of this Court.

Roth has never contended that the 1978 Act contains any language stating or implying that its writing requirements govern agreements made or work commissioned prior to Janaury 1, 1978. Instead, Roth has relied on the 1978 Act's general preemption provision, *id.* § 301(a), to support her claim. Roth reads section 301(a) as declaring that after January 1, 1978, *all* legal rights in the field of copyright are governed by the 1978 Act, and that pre-1978 law is abrogated in all respects. The Court of Appeals correctly recognized that section 301(a) is a far narrower provision than Roth imagines. By its terms, all that section 301(a) provides is that the rights "*specified by section 106*,"—i.e., the rights of exclusive use belonging to whomever owns a copyright—are governed by the 1978 Act, rather than prior law. In other words, as the court of appeals properly held,

section 301 does not "purport to determine *who* holds a copyright for works created before Janaury 1978. *It merely clarifies the rights of individuals owning copyrights on that date, whomever they may be.*" 710 F.2d at 938

In refusing to infer a congressional intent to apply the writing requirements of the 1978 Act's writing requirements retroactively, the Court of Appeals noted the "total absence of consideration of the issue by the drafters" of the Act, *id.* at 939, and this Court's frequently invoked principle that " 'retrospective application will not be given a statute . . . unless such be the unequivocal and inflexible impact of the terms, and the manifest intention of the legislature.' " *Id.*, *citing Union Pacific R.R. Co. v. Laramie Stock Yards Co.*, 231 U.S. 190, 199 (1913); *Green v. United States*, 376 U.S. 149, 160 (1964); and *United States v. Security Industrial Bank*, 103 S. Ct. 407, 413 (1982).

Finally, the Court of Appeals was properly dubious of the constitutionality of Roth's interpretation of section 301(a). Under Roth's theory, section 301(a) would abrogate the 1977 agreement between Roth and respondents, which was valid when made, and transfer to Roth, without compensation to respondents, a valuable property interest which Roth had voluntarily relinquished for good consideration. The result urged by Roth, which Professor Nimmer has called "the paradigm case to illustrate unconstitutional retroactivity" (1 M. Nimmer, *supra*, § 1.11, at 1-93, 1-94), would appear to be precluded by numerous decisions of this Court. *E.g.*, *Security Industrial Bank*, *supra*; *Loretto v. Teleprompter Manhattan CATV Corp.*, 102 S. Ct. 3134 (1982); *Armstrong v. United States*, 364 U.S. 40 (1960); *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393 (1922).

In light of the Court of Appeals' unanimous and carefully reasoned opinion, the arguments raised in Roth's certiorari petition are rather difficult to comprehend. Roth's main claim is apparently that, as of Janaury 1, 1978, respondents had no protectible property interest in the book; instead, "[a]ll that existed at that time, so far as respondents were concerned, was a rebuttable presumption of copyright in their favor." (Roth's Petition, at 12). That argument is untenable on several grounds,

not least of which is that it ignores the trial court's express finding, affirmed by the Court of Appeals, that even if the defendants had the burden of proof, they had "proved by preponderance of the evidence that there was an agreement for Mrs. Roth to supply recipes of her own and to work on recipes of the Pritikin organization for a flat fee of $3,000" (Roth App. A 22). Thus, on January 1, 1978, respondents owned the copyright interest in the recipes not by virtue of any evidentiary presumption, but because of the proven fact that Roth sold it to them for good consideration.

In sum, the Court of Appeals' holding was correct on the facts and entirely consistent with the decisions in other circuits and in this Court. No purpose will be served by the granting of Roth's petition.

CONCLUSION

For the foregoing reasons, respondent Nathan Pritikin respectfully requests that the petition of June Roth for a write of certiorari be denied.

Respectfully submitted,

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APPENDIX

DEFENDANTS' EXHIBIT M—LETTER DATED SEPTEMBER 9, 1977 (Pages 504-505).

September 9, 1977

Dear Nathan,

Your letter, together with the revisions, were welcome. I found your suggestions well taken and incorporated them into my redraft. I'll send you that when I get it back from my typist.

I think you may be making too much work for yourself. Ordinary copyreader's style and symbols will suffice for revisions. I do not need anything more than your marginal suggestions as to what ought to be done with the copy. You can say, for example, "Use third paragraph on page 8 for lead of chapter, revise old lead accordingly, and insert a paragraph thereafter on avitaminosis. . ." or whatever. Edit just as much or as little as you wish. By the time your copy returns to me, I'll be able to review it with new eyes and see some of the inept phrasing or non-sequiturs myself. Make free use of arrows to show me where you'd like things to go. If you wish to do a paste-up —as you did on the first chapter—that's fine and most helpful.

However, I cannot provide extra information that only the Longevity Center has access to—such as the mean levels of certain indications, before and after, which were unavailable to me. This you must provide. In fact, the basic research (although I'm doing some on my own) essentially must remain your responsibility—since your ideas vary so considerably from other authorities.

Speaking of basic research, I have engaged a top writer of cookbooks to provide us with three weeks of menus and recipes. The first, which will be in our hands by our October 1 deadline for the first half of the book, will be GOURMET MENUS. The second will be FAMILY MENUS. The third will be MENUS FOR SINGLES. She read some of her gourmet ideas to me over the phone and I was deeply impressed. You will be, too.

Her name is June Roth and she has twenty (20!) cookbooks to her credit. She won a national cookbook writer award last year. Her credits include "SALT-FREE COOKING WITH HERBS AND SPICES", "THE SICK TUMMY COOKBOOK," THE ON-YOUR-OWN COOKBOOK," "HOW TO COOK LIKE A JEWISH MOTHER", "THE THOUSAND CALORIE COOKBOOK" and she works as a food consultant to many advertising agencies and is a member of our professional writer's society. Since we were under the gun from Bob Markel to get this recipe section in early—I took it on my own to engage her to get cracking on these recipes for us promptly.

The agreement I made with her is as follows: She will be entitled to $1500 for the recipes, which must be acceptable to you and me. She will also be entitled to 50 percent of any money we receive from serializations (i.e. magazine excerpts from the book) of those recipes that are used. So, for example, if *Redbook* decided to run our dietbook in two issues of the magazine, and the recipes done by June occupied, say, 25 percent of the space, and we received $20,000 for the serializations—she would be entitled to $$2500 in addition to her flat fee of $1500 which would already have been paid.

It was clear that only a professional could do the kind of job on this important section. I already spent $1000 out of my own pocket engaging a woman assistant to do this kind of work, and wound up with zero to show for it.

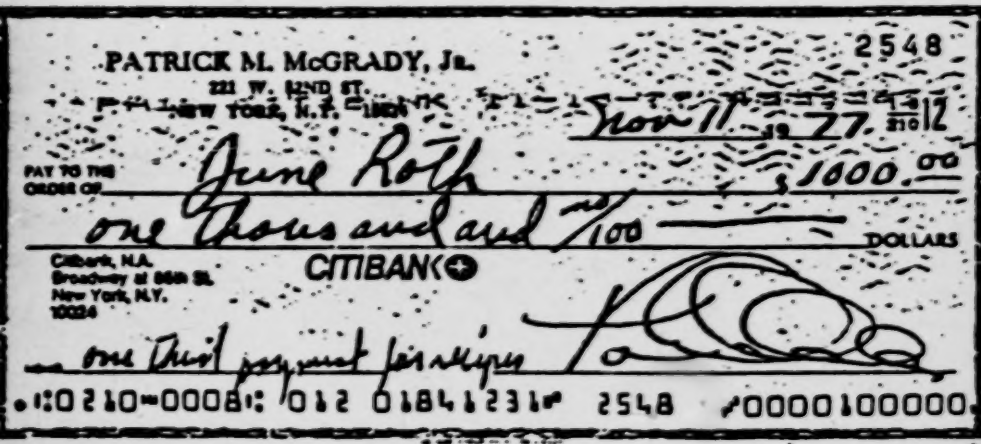
While I think these recipes should properly be considered as research, and therefore your responsibility financially (I will, of course, as writer have to shape their presentation for our book), if you feel that I ought to contribute to her compensation, please tell me what you think would be fair and that will be O.K. with me. I think you will be very pleased with her ideas, however, and her menus can be used at the Center and elsewhere for much additional mileage. They also give the diet some class (thankfully shattering the taco-shell-and-beanpot image other chefs have given your diet). Incidentally, she offered to do the whole ting for a flat fee of $3000. If you want to pay that much, we'd probably save ourselves money in the long run.

The exercise chapter is off to you under separate cover. Attached herewith is an insert page. Please return that chapter soonest with your comments and changes.

Best,

Patrick M. McGrady Jr.

DEFENDANTS' EXHIBIT B—CHECK DATED NOVEMBER 11, 1977


PATRICK M. McGRADY, Jr.
221 W. 82ND ST.
NEW YORK, N.Y. 10024

2548

Nov 11 19 77 210 12

PAY TO THE ORDER OF June Roth $1000.00

one Thousand and no/100 DOLLARS

Citibank, N.A.
Broadway at 86th St.
New York, N.Y.
10024

CITIBANK

one third payment for slipper

⑈021000089⑈ 012 018412314 2548 ⑈0000100000⑈

Office - Supreme Court, U.S.
FILED
OCT 13 1983
ALEXANDER L. STEVAS,
CLERK

No. 83-410

IN THE

Supreme Court of the United States

October Term, 1983

JUNE ROTH,

Petitioner,

v.

NATHAN PRITIKIN and PATRICK M. MC GRADY, JR.,

Respondents.

RESPONDENT PATRICK M. MC GRADY, JR.'S BRIEF IN OPPOSITION TO THE PETITION FOR CERTIORARI

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COUNTER-STATEMENT OF QUESTIONS PRESENTED

1. Should this Court grant certiorari to review the decision of the Court of Appeals that the New Copyright Act, effective January 1, 1978, does not operate retroactively to divest respondents Nathan Pritikin and Patrick M. McGrady, Jr. of their exclusive ownership of the copyright in recipes respondents hired June Roth to produce for a flat fee in 1977.

2. Should this Court grant certiorari to review the decision of the Court of Appeals affirming the findings of fact of the District that in 1977 Patrick M. McGrady, Jr. and Nathan Pritikin hired June Roth to supply recipes for their book, and she did so according to a valid agreement, on the basis of facts fully supported in the record.

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SUPREME COURT OF THE UNITED STATES

JUNE ROTH,

Petitioner,

v.

NATHAN PRITIKIN and PARTICK M. MC GRADY, JR.,

Respondents.

RESPONDENT PATRICK M. MC GRADY, JR.'S BRIEF IN OPPOSITION TO THE PETITION FOR CERTIORARI

COUNTER-STATEMENT OF THE CASE

Proceedings Below

This action involves a book published by Grosset & Dunlap in 1979, which is entitled The Pritikin Program for Diet and Exercise and names as its co-authors Nathan Pritikin and Patrick M. McGrady, Jr., who are the respondents.

The action was brought by petitioner June Roth who had been hired by Messrs. Pritikin and McGrady to provide and re-

vise recipes for the book. Plaintiff contends that by virtue of her work she is entitled to judgment under the Copyright Act of 1978, 17 U.S.C. §101 et seq., (a) declaring she is a one-third owner of the copyright, and (b) an accounting by respondents for her share of all past and future royalties and profits.

Before handing down its decision, the District Court, sitting without a jury, received oral as well as written evidence. There was a conflict between the testimony of Mrs. Roth and respondents regarding petitioner's compensation and rights in the book. According to petitioner, she supplied the material but there was no agreement between the parties as to her rights and compensation. According to respondents who claim the exclusive copyright, they hired Mrs.

Roth, and according to their agreement she supplied the recipes for a flat fee.

The District Court chose to credit respondents' version of the facts and held that:

(a) Nathan Pritikin and Patrick M. McGrady are the sole and exclusive owners of the copyright;

(b) June Roth did not obtain any copyright;

(c) June Roth's contribution was a work for hire;

(d) According to the agreement between the parties, in 1977, Mrs. Roth supplied the recipes for a flat fee of $3,000.00; and,

(e) The revised Copyright Act effective January 1, 1978, 17 U.S.C.A. §101 et seq., does not alter the substantive rights of the parties.

The Court of Appeals affirmed the District Court's findings of fact and held that the agreement between Mrs. Roth and respondents was valid when it was

entered into, and the subsequently enacted Copyright Statute does not operate retroactively to divest Messrs. Pritikin and McGrady of their interest in the copyright.

Background of Dispute

In 1976, Patrick M. McGrady spent several weeks at the Longevity Center operated by Nathan Pritikin in Santa Barbara, California (J.A. 135, 211-212)* After his visit, Mr. McGrady wrote an article about the program which was published in Woman's Day magazine (J.A. 212). The article generated considerable interest among publishers and Mr. McGrady received several calls about the possibility of writing a book about

*Citations in the form "J.A. ____" refer to the pages in the joint appendix in the Court of Appeals.

Nathan Pritikin (J.A. 212-213). The publishers were interested in a contract with both Mr. McGrady, a successful professional author, medical writer and journalist, and Nathan Pritikin who was becoming increasingly well-known (J.A. 134, 172, 174-176, 197-198, 209-211).

In December 1976, Messrs. McGrady and Pritikin entered into two agreements to write a book which ultimately became The Pritikin Program for Diet & Exercise (J.A. 135-136, 173-174, 223-224, 488-503). The first contract was entered into by and among Grosset & Dunlap, Inc., Nathan Pritikin and Patrick McGrady on December 17, 1976 (J.A. 488-502). This contract provided that the publisher would pay Messrs. McGrady and Pritikin the sum of $100,000.00 as an advance against royalties for the exclusive right to publish their work (J.A. 588-502).

The second contract was a collaboration agreement entered into on December 30, 1976, whereby Mr. Pritikin agreed to provide his expertise and to cooperate and assist Mr. McGrady who undertook as his sole responsibility the actual writing of the manuscript (J.A. 497).

By May 1979, the book was for sale by retailers (J.A. 261).

From the beginning, both Nathan Pritikin and Patrick M. McGrady, Jr. agreed that the book would contain recipes (J.A. 137, 146, 153, 174-175, 224-225). The recipes would serve to name allowable ingredients and tell how to prepare acceptable foods into a regimented diet (J.A. 146, 259, 511).

Initially, Mr. Pritikin furnished the publisher with a copy of his center's booklet containing a 26-day program with recipes for four weeks (J.A. 153). The

publisher reviewed these recipes and found they required revision (J.A. 153). From this point, Mr. McGrady undertook to obtain a recipe section that would be acceptable to both the publisher and Nathan Pritikin (J.A. 153, 220-221, 242-243, 326, 328, 336, 459-469).

In late August of 1977, Patrick McGrady placed a telephone call to June Roth inquirying whether she would be interested in working on recipes for the book being written by Nathan Pritikin and him (J.A. 225-226). Plaintiff said she was interested, and they arranged to meet and discuss terms on August 30, 1977 (J.A. 27, 226).

There is a conflict between the testimony of Patrick M. McGrady, Jr. and June Roth about what happened at the meeting.

According to Mr. McGrady, he told

June Roth that Nathan Pritikin and he had a contract with Grosset & Dunlap to write a diet book for a very large advance which permitted them to pay for recipes to be included in the book (J.A. 291). He described the diet guidelines (J.A. 229). He told her he wanted:

1. Recipes for three weeks' meals including gourmet recipes for one week, and family and single's recipes for two weeks (J.A. 320, 323-324, 335, 471).

2. To accomplish this, she could either revise recipes by the Pritikin staff, adapt her own recipes, or both (J.A. 229, 333-334).

3. The recipes must conform to the Pritikin diet guidelines (J.A. 243).

4. The recipes were to be supplied within six weeks (J.A. 471).

5. All rights would belong exclusively to Messrs. Pritikin and McGrady (J.A. 233).

6. The work would be subject to approval by both Messrs. Pritikin and McGrady, and Mr. Pritikin would make the final determination as to the text of recipes to be included in the book (J.A. 326, 335-336).

According to Mr. McGrady, during the same meeting he also discussed terms for compensation with Mrs. Roth (J.A. 231-232). Initially, when he asked if she would do the work for a few hundred dollars, she said no (J.A. 231). Then, they discussed two alternative methods for compensation (J.A. 232):

1. First, he proposed that Mrs. Roth would be paid $1,500.00 plus a portion of receipts from magazine serializations of the book (J.A. 232).

2. Mrs. Roth said she would prefer $3,000.00 as a flat fee, according to Mr. McGrady (J.A. 232).

According to Patrick McGrady, he an

understanding that Nathan Pritikin had to approve whichever arrangement was made for compensation, and Mrs. Roth was willing to accept compensation by either of the two means proposed (J.A. 231-234, 242, 275, 285, 329-330, 333-336).

According to Mrs. Roth, no agreement on her rights and compensation was reached. According to her testimony, she asked Mr. McGrady to present to Nathan Pritikin her request for a $3,000.00 advance, future rights to a portion of the royalties, and the right to have her name both on the cover and on the inside flyleaf.

According to the testimony of Mr. McGrady, Mrs. Roth made no such request (J.A. 120, 182-183, 226-269, 278-281).

After the meeting, Mrs. Roth immediately commenced work on the recipes (36, 286, 359).

Meanwhile, Mr. McGrady conferred with Nathan Pritikin about the two alternative compensation proposals (J.A. 238, 241-242, 504-505). Patrick McGrady also wrote to Mr. Pritikin on September 9, 1977, setting forth the two alternatives, and asking for his approval of either one (J.A. 504-505).

Patrick McGrady also wrote Mrs. Roth on September 16, 1977, to confirm their understanding:

"Dear June,

> This letter will confirm our understanding whereby you will supply Nathan Pritikin and me with three weeks of menus and recipes consonant with the Pritikin Diet, and to provide before the end of September, 1977 a week of gourmet recipes, and within the following six weeks two weeks of family recipes and singles' recipes.
>
> You have proposed two means of compensation for your work. The first would be payment of $3,000.00 for all rights to the recipes. The

second would be payment of $1,500.00, plus one-half of all monies accruing from magazine or newspaper serializations of the book -- in direct proportion to the actual space occupied in the excerpts by the recipes. (Thus, if Woman's Day paid $10,000.00 for serialization of the book, and 40% of the space was devoted to your recipes, you would receive $2,000.00 from that serialization.)

Which of these methods we shall use shall be decided by Nathan Pritikin, and I shall inform you of his decision as soon as I hear from him on the matter.

Payment of your baseline compensation ($1,500 .00 or $3,000.00) will be made by us from our shares of the advance, payable in three equal installments from the next three payments from our publisher, Grosset & Dunlap.

If this does not accord with your understanding of our agreement, please let me know promptly." (J.A. 471)

According to Mr. Pritikin, he told Patrick McGrady that he would not approve any arrangement with Mrs. Roth envision-

ing an open ended obligation (142, 241). The flat fee arrangement was the only one acceptable to him (J.A. 142, 241).

In September 1977, Mr. McGrady confirmed to Mrs. Roth that the payment would be a flat fee of $3,000.00 (J.A. 241-242).

According to Mrs. Roth, she performed the work respondents hired her to do, but there was no agreement as to her rights and compensation (J.A. 66-67).

In October, 1977, Mrs. Roth delivered the recipes to Patrick McGrady (J.A. 36, 359).

Her work was reviewed by Mr. Pritikin and his staff to assure it complied with the guidelines (J.A. 326, 328, 335-336, 459-470). In their exercise of control over the contents of the recipes, Mr. Pritikin and his staff made substantial changes in recipes submitted by Mrs.

Roth (J.A. 335-336, 459-470). They chose not to include all of Mrs. Roth's recipes in the book (J.A. 336). Many recipes included in the book were not Mrs. Roth's (J.A. 155, 336).

June Roth was paid the $3,000.00 in three installments (J.A. 39, 143, 249, 251). She received the first installment on November 11, 1977, when Patrick McGrady gave her a check drawn by him and made payable to her order in the sum of $1,000.00* (J.A. 56-57, 249, 472).

When Patrick McGrady presented the check to petitioner, it contained the notation: "One-third payment for recipes" (J.A. 56-57, 249, 472).

---

*Petitioner received a second check in the sum of $1,100.00 (J.A. 93, 484). On March 31, 1979, she received a third check in the sum of $1,000.00 (J.A. 94, 484). The parties were not clear as to the reason for the extra $100.00.

In the Spring of 1979, the book was published and almost immediately appeared on the best seller list in June or July, 1979, remaining there for almost one year (J.A. 259-261).

According to the testimony of Mrs. Roth, she first received a copy of the book in December, 1979, and she was shocked to find her name not being included on the cover or the copyright page (J.A. 43-44, 100, 125).

After December, 1979, petitioner requested additional compensation from Patrick McGrady, and she also discussed this request with Julian Bach, the respondents' literary agent (J.A. 50-51, 116, 121, 179-183).

According to Mr. McGrady, these requests by June Roth were made in terms of a favor in view of the book's success

despite the fact that she disclaimed legal entitlement to more than what she had already received (J.A. 234-235, 269-270).

According to Julian Bach, Mrs. Roth acknowledged she did not have a legal right to the further compensation she requested (J.A. 179-184). Having promised Mrs. Roth that he would refer her request to Nathan Pritikin, on November 19, 1980, he wrote Mr. Pritikin, stating that Mrs. Roth admits that she has no entitlement to any further payments (J.A. 510).

After all parties rested, Judge Griesa rendered his decision dismissing the complaint (J.A. 428-441). In his decision Judge Griesa made the following legal conclusions:

> 1. Nathan Pritikin and Patrick M. McGrady are the sole and exclusive owners

of the copyright. (A. 23)*

2. June Roth did not obtain any copyright. (A. 23)

3. June Roth's contribution was a work for hire. (A. 23)

4. There was an agreement for Mrs. Roth to supply recipes of her own and to work on recipes of Nathan Pritikin for a flat fee of $3,000.00. (A. 22)

5. The revised Copyright Act effective January 1, 1978, 17 U.S.C.A. §101 et seq., does not alter the substantive rights of the parties. (J.A. 437)

The Court of Appeals affirmed the District Court's finding of fact, stating:

> "Roth's initial challenge may be disposed of briefly. Notwithstanding appellant's attempt to denigrate the district judge's findings of fact, his conclusion that she entered into a lawful contract was fully supported by the evidence

*Citations in the form "A. ___" refer to pages in the appendix to the petition.

adduced at trial, and there is no basis for rejecting it as clearly erroneous. See Fed. R. Civ. P. 52(a); United States v. Yellow Cab Co., 338 U.S. 338 (1949); Stafford v. International Harvestor Co., 668 F.2d 142 (2d Cir. 1981).

McGrady's testimony concerning the oral agreement was corroborated by letters mailed to Pritikin discussing the terms of Roth's employment. In addition, the notation on the margin of Roth's first check indicated it was a one-third payment for her services, and appellant did not challenge the validity of this memorandum or attempt to clarify the perceived ambiguity in the terms of her arrangement with McGrady. Moreover, when pressed on cross-examination, Roth admitted there was no explicit statement by McGrady that the $3,000.00 represented an advance on royalties, but she merely 'construed' their conversation as indicated this was the bargain reached.

In sum, the evidence adduced at trial was inconsistent, and the judge was free to draw conclusions based upon his perception of the witnesses' credibility and demeanor. Newman v. Local 1101, Communication Workers of America,

> A.F.L.-C.I.O, 597 F.2d 833, 836 (2d Cir. 1979). Roth has not met her burden of demonstrating the district court's findings were clearly erroneous, and accordingly, we must decline her invitation to reverse them. (A. 6-7)

On the legal issue involving the effect of the revised Copyright Act of 1978, 17 U.S.C. §101 et seq., the Court of Appeals affirmed the District Court's conclusion of law that Messrs. McGrady and Pritikin were the exclusive owners of any interest in the copyright in the recipes Mrs. Roth was hired to do (A. 9-13).

REASONS WHY THE PETITION SHOULD BE DENIED

The decision of the Court of Appeals, was fully supported by evidence adduced at trial. It does not conflict in any way with prior decisions of this court. In addition, the Court of Appeals' decision does not conflict with

any decision of any other Circuit Court of Appeals. Finally, the Court of Appeals' decision does not raise an important federal question which must be decided by this Court. Its effect on the general scheme of federal regulation in the area of copyright is de minimus.

POINT I

THE RECORD CLEARLY SUPPORTS THE DISTRICT COURT'S FINDING THAT THE COPYRIGHT IS THE EXCLUSIVE PROPERTY OF THE RESPONDENTS, FOR JUNE ROTH WAS HIRED ACCORDING TO AN AGREEMENT TO SUPPLY RECIPES TO BE INCLUDED IN THE BOOK FOR A FLAT FEE

Before handing down its decision, the District Court, sitting without a jury, received oral as well as written evidence. There was a conflict between the testimony of Mrs. Roth and Mr. McGrady regarding petitioner's compensation and rights in the book. According to June Roth, she supplied the material

but there was no agreement between the parties as to her rights and compensation. According to Mr. McGrady, respondents hired Mrs. Roth, and according to their agreement she supplied the recipes for a flat fee.

The District Court having seen and heard the parties chose to discredit June Roth's version of the facts and chose to credit the respondents that (a) according to an agreement between the parties Mrs. Roth supplied the recipes for a flat fee, and (b) she derived no property interest in the recipes' copyright because her contribution to the book constitutes a work for hire (J.A. 439-441).

The District Court's finding based as it is on the testimony of the parties, may not be overturned unless it is clearly erroneous. Mamiye Bros. v. Barber Steamship Lines, Inc., 360 F.2d

774, 776-778 (2d Cir. 1966), cert. den. 385 U.S. 835 (1966). Nothing short of that can be ground for reversal.

We submit that the District Court's finding affirmed by the Court of Appeals that respondents hired petitioner to supply recipes for a flat fee and she did so according to their agreement was surely not clearly erroneous.

A. THE RECORD CONFIRMS THE EXISTENCE OF A CONTRACT

The record reveals that the course of conduct between petitioner and respondents taken together with the course of events from August of 1977, through March of 1981, spell out a binding contract between June Roth and the respondents.

1. THE TESTIMONY OF PATRICK MC GRADY SHOWS THERE WAS AN AGREEMENT

The testimony of Patrick McGrady

shows that in September of 1977, a binding agreement came into existence according to which petitioner for a flat fee would supply recipes to be included in the respondents' diet book. According to Mr. McGrady, during his meeting with petitioner on August 30, 1977, he told her what he wanted: (a) Recipes for three weeks' meals (J.A. 320, 323-324, 335, 471); (b) The recipes must conform to the Pritikin diet guidelines (J.A. 243); (c) The recipes were to be supplied within six weeks (J.A. 471); (d) All rights would belong exclusively to Messrs. Pritikin and McGrady (J.A. 233); and (e) petitioner's work would be subject to approval by both Messrs. Pritikin and McGrady and Mr. Pritikin would make the final determination as to the text of recipes to be included in the book (J.A. 326, 335-336).

The testimony of Patrick McGrady also shows that he and Mrs. Roth ended their meeting with the understanding that she was willing to undertake the work according to these terms for compensation to be paid by whichever one of two arrangements -- a $3,000.00 flat fee, or $1,500.00 plus a percentage of receipts from magazine serializations -- Nathan Pritikin approved (J.A. 231-234, 242, 275, 285, 329-330, 333-336).

After conferring with Nathan Pritikin and obtaining his approval for the flat fee arrangement, the testimony of Patrick shows he confirmed to Mrs. Roth that payment would be a flat fee of $3,000.00 (J.A. 241-242).

Further, the testimony of Patrick McGrady shows that after petitioner delivered the recipes he paid her by check in the sum of $1,000.00 on November 11,

1977, and the check contained the notation: "One-Third payment for recipes." (J.A. 56-57, 249, 472).

The testimony of Patrick McGrady shows that after 1979, petitioner requested more compensation as a favor in view of the book's success, following more than six months after the book was published and first appeared on the best seller's list (J.A. 270).

Crediting respondents' version of the facts, the District Court found that the two letters of Patrick McGrady, dated September 9th, and September 16, 1977, constitutes contemporaneous records of discussions in terms consistent with his testimony (J.A. 439, 471, 504).

2. TESTIMONY OF JULIAN BACH SUPPORTS THE EXISTENCE OF A BINDING AGREEMENT

The testimony of Julian Bach shows that after December, 1979, Mrs. Roth also

spoke to him about her request for additional compensation although acknowledging she had no legal right to further compensation (J.A. 179-184).

3. PETITIONER'S CONDUCT MANIFESTS HER INTENTION TO BE BOUND BY THE AGREEMENT

The record shows that immediately following the August 30, 1977, meeting between Patrick McGrady and June Roth, her conduct was in accordance with the contract.

Immediately after the meeting she commenced work on the recipes (J.A. 36, 66, 359).

She delivered all the recipes to Patrick McGrady in October, 1977 (J.A. 36, 359).

When Patrick McGrady gave her the first installment by check in the sum of $1,000.00, she accepted it without protesting the notation on the check, which

read "One-third payment for recipes." (J.A. 90-91, 249, 347-348)

During the course of trial, petitioner conceded she understood the difference between the terms "payment" and "advance" (J.A. 58).

The District Court also observed the two-year time lapse during which petitioner did nothing to assert the rights she now claims, stating:

> "Another circumstance is the failure of Mrs. Roth to make any memorandum of her understanding of the state of the negotiations, her failure to take any steps to obtain a contract of the kind she asserts she requested, giving her a right to ownership in the book, her failure to make any complaint or follow-up request for such rights from the time of her discussions in the fall of 1977, all the way to the winter of 1979, months after the book had been published.
>
> Even according to her own testimony, there was this two-year lapse during which time she did nothing to assert her rights or

> the rights she alleges she was insisting on.
>
> She is a professional writer. She is now the president of a writers' organization, she is familiar with practices in the field of writing books, and if she indeed was expecting to have a share in the copyright and ownership of the book, she took no effective steps to assert that claim, for a very long period of time.
>
> Unfortunately, this makes it difficult to accept her version of the facts as distinct from the defense version." (A. 22-23)

Clearly, the District Court's finding affirmed by the Court of Appeals of a binding contract was made in accordance with long established principles and in view of the testimony of the parties taken together with their conduct and events from the meeting of August 30, 1977, through and until February, 1981, when petitioner filed this action.

Straining to avoid the contract,

petitioner contends that the contract was too indefinite, and, therefore, no agreement exists. Petitioner unsuccessfully made this same abortive challenge in both the Court of Appeals and the District Court, stating that the parties had not agreed upon the number of recipes petitioner would be required to supply (367). "The last refuge of a defaulting party to a contract is the defense of indefiniteness." Banker's Trust Co. v. Steenburn, 95 Misc.2d 967, 409 N.Y.S.2d 51 (Sup. Ct. Chautauqua Co. 1978).

The job petitioner was hired to perform called for three weeks' recipes (471). Petitioner never considered the absence of a term fixing the number of recipes to be supplied to be fatal to the agreement. Indeed, she delivered the menu section containing three weeks' menus by October 3, 1977 (36, 359). The

plain inference to be drawn from the conduct of the parties would indicate that the contract term calling for three weeks' menus was reasonably definite. Obviously, petitioner thought so.

POINT II

THE REVISED COPYRIGHT ACT, EFFECTIVE JANUARY 1, 1978, 17 U.S.C. 101 ET SEQ., DOES NOT OPERATE RETROACTIVELY TO DIVEST RESPONDENTS OF THEIR EXCLUSIVE OWNERSHIP OF THE COPYRIGHT

Asserting her claim under the New Copyright Act, June Roth concedes she obtained no rights under the law in force at the time she accepted payment for her work. It is also clear that the New Act does not grant her greater rights.

June Roth's claim that the New Act does so is based upon an egregious misreading of the statute and blatant disregard of general principles of statutory construction.

June Roth's claim is in essence, that the recipes do not qualify as "work for hire" as defined by §101 of the New Act, and, therefore, she is a co-author of the diet book which includes her recipes. Relying upon §301 of the New Act, Mrs. Roth contends that the New Act's definition of "work for hire" should govern determinations involving issues of ownership in all works whether created before or after January 1, 1978.*

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*The case of Heiner v. Donnan, 285 U.S. 312 (1932) relied upon by petitioner is inopposite. In the Heiner case, this Court held that §302 of the Revenue Act of 1932 which created a conclusive presumption that gifts made within two years prior to death of the donor were made in contemplation of death violates the due process clause of the Fifth Amendment. Earlier revenue rules created a rebuttable presumption which was made irrebuttable by the Act of 1926. The government took the position that this newly created conclusive presumption was a rule of substantive law, and, regarded as such, should be upheld. In its decision, this Court stated that whether it be treated as a rule of evidence or of substantive

A brief discussion of the facts and law pertaining to petitioner's claim will clearly expose the fatal infirmities in her claim and demonstrate that the statute does not operate to retroactively divest respondents of their contractual and copyright interests which belonged to them prior to the effective date of the New Act.

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*(Footnote Cont'd.):
law, this conclusive presumption operates unfairly to deny a fair opportunity to rebut it. Heiner, supra at 329.

In the instant case petitioner contends in her brief at page 13 that the New Act's definition of "work for hire" should be applied retroactively to govern determinations involving issues of ownership in all works whether created before or after the effective date of the New Act: January 1, 1978. In the decision of the Court of Appeals, Judge Kaufman rejected this contention because the New Act's language and legislative history and generally applicable rules of statutory construction all mandate prospective application of the rules governing work for hire agreements (A. 8-11).

A. THE COPYRIGHT VESTED EXCLUSIVELY IN RESPONDENTS IN ACCORDANCE WITH THE "WORK FOR HIRE" DOCTRINE AS IT APPLIED IN 1977, WHEN PETITIONER ACCEPTED A FLAT FEE FOR HER WORK

Under the law in force at the time, Mrs. Roth supplied the recipes according to her agreement with respondents, the established principle of common law and statutory copyright deemed the employer commissioning party to be the exclusive owner of works made for hire. Bleistein v. Donaldson Lithograph Co., 188 U.S. 239 (1903); May v. Morganelli-Heumann & Associates, 618 F.2d 1363 (9th Cir. 1980); Murray v. Gelderman, 566 F.2d 1307 (5th Cir. 1977); Seigel v. National Periodical Publications, 508 F.2d 909 (2d Cir. 1974); Picture Music, Inc. v. Bourne, Inc., 457 F.2d 1213 (2d Cir. 1972) cert. den. 409 U.S. 997 (1972); Scherr v. Universal Match Corp., 417 F.2d 497 (2d Cir.

1969) cert. den. 397 U.S. 936 (1970); Brattleboro Publishing Co. v. Winmill Publishing Co., 369 F.2d 565 (2d Cir. 1966); Yardley v. Houghton Mifflin, 102 F.2d 28 (2d Cir. 1939); Copyright Act of 1909, 17 U.S.C. 9 and 26, as amended (1970), revised in its entirety by Pub. L. 95-553. Title I, §101, 17 U.S.C. 101 et seq., effective January 1, 1978, [hereinafter the Copyright Act of 1909 is referred to as the 1909 Act, and the revised Copyright Act, effective January 1, 1978 is referred to as the New Act].

Under the dual system of "common law copyright" for the unpublished work and "statutory copyright" for published works, the common law copyright initially vested in the employer of a work for hire, and upon publication the subsequently obtained statutory copyright vested in such employer unless there had

been a prior transfer of ownership of the common law copyright. Nimmer, 1982 Ed. §5.01[B].

Section 26 of the 1909 Act ". . .represent[ed] a codification of the so-called 'work-for-hire doctrine' recognized by the Supreme Court in Bleistein v. Donaldson Lithography Co., 188 U.S. 239, 28 S. Ct. 298, 47 L. Ed. 460 (1903)"; Murray v. Gelderman, 566 F.2d 1307, 1309 (5th Cir. 1978), creating a presumption of copyright in the employer of a work for hire which can be overcome by evidence of a contrary agreement between the parties. Scherr v. Universal Match Corp., 417 F.2d 497, 500 (2d Cir. 1969); Brattleboro Publishing Co. v. Winmill Publishing Corp., 369 F.2d 565 (2d Cir. 1966). "Authors" according to §9 of the 1909 Act are entitled to claim ownership to the copyright and exercise it in

the first instance. 17 U.S.C. 9, as amended (1970). Section 26 of the 1909 Act defines "author" to "include an employer in the case of works for hire." 17 U.S.C. 26, as amended (1970). [Emphasis added].

Under the "work for hire" doctrine extant prior to January 1, 1978, works for hire could be the creation of either an employee or commissioned party. Picture Music, Inc. v. Bourne, Inc., 457 F.2d 1213, 1216 (2d Cir. 1972) cert. den. 409 U.S. 997 (1972); Lin-Brook Builders Hardware v. Gertler, 352 F.2d 298, 300 (9th Cir. 1965); Brattleboro Publishing Co. v. Winmill Publishing Corp. 369 F.2d 565, 567-568 (2d Cir.d 1966); Yardley v. Houghton Mufflin Co., 108 F.2d 28, 30-31 (2d Cir. 1939); Somret & Wells, Inc. v. Shalom Toy Co., Inc., 429 F. Supp. 895 (EDNY 1977).

The concept of "employer" of works for hire was not definitive, but, rather, conclusive. The 1909 Act did not define "works for hire". 1909 Act, 17 U.S.C. 26, as amended (1970). "The purpose of the [1909] statute [was] not to be frustrated by conceptualistic formulations of the employment relationship." Picture Music, Inc. v. Bourne, Inc., supra, p. 1216.

The crucial factors in the determination of a "hire" relationship include the issue of whether the "motivating factor" in producing the work was the one at whose instance and expense an employee or independent was engaged to do the work. Siegel v. National Periodical Pub. Inc., 508 F.2d 909, 914 (2d Cir. 1974) quoting Picture Music, Inc. v. Bourne, Inc., supra; Murray v. Gelderman, 566 F.2d 1307, 1310 (5th Cir. 1978):

> ". . . That doctrine is applicable only when the employee's work is produced at the instance and expense of the employer, Brattleboro Publishing Corp., 369 F.2d 565, 567 (2d Cir. 1966), or, in other words, when the 'motivating factor in producing the work was the employer who induced the creation . . .,' Picture Music, Inc. v. Bourne, Inc., 457 F.2d 1213, 1216 (2d Cir.), cert. den., 409 U.S. 997, 93 S.Ct. 320, 34 L.Ed. 2d 262 (1972)." Siegel v. National Periodical Pub., Inc., supra at 914. (Emphasis added).

The record clearly shows that respondents originated the diet book project (J.A. 135, 211-218). Mr. McGrady and Mr. Pritikin were able to obtain a publishing contract providing a substantial advance (J.A. 134, 172, 174-176, 197-198, 209-211, 488-502). This permitted them to take the initiative and hire petitioner to supply recipes for a flat fee.

Another critical factor is whether

one who engages another has the right to direct and supervise the manner in which the work is performed. Picture Music, Inc. v. Bourne, Inc., 457 F.2d 1213, 1216 (2d Cir. 1972); Scherr v. Universal Match Corp., 417 F.2d 497, 500 (2d Cir. 1969); Murray v. Gelderman, 566 F.2d 1307, 1310 (5th Cir.d 1978).

The testimony of Patrick McGrady shows that respondents did direct and control petitioner's work requiring strict compliance with the diet guidelines; and that respondents had the power to accept, reject, or modify her work, and they exercised it (J.A. 242-243, 335-336, 459-470).

The District Court's determination affirmed by the Court of Appeals that petitioner's contribution was a "work for hire" is not clearly erroneous (J.A. 428-441). It is abundantly clear that June

Roth's contribution was work done for hire within the meaning of that term as used in the common law and statutory copyright law in force at the time petitioner accepted a flat fee payment for the recipes she supplied in 1977. The "motivating factor" in producing the recipes was the respondents. Mr. McGrady, an accomplished author and medical writer, and Mr. Pritikin whose diet program was enjoying growing popularity, were able to obtain a publishing contract which provided a $100,000.00 advance. This permitted them to hire Mrs. Roth to supply recipes to be included in the book. They took the initiative in engaging her. They directed and controlled her work, requiring that the recipes comply with the strict guidelines of the Pritikin diet. They had the power to accept, reject, or modify her work, and

they exercised it.

Petitioner in turn supplied the recipes in October of 1977, and she accepted a flat fee payment in November of 1977. Mrs. Roth was not working for herself, but rather for Messrs. McGrady and Pritikin according to their agreement.

Petitioner made no effort to rebut the presumption of ownership in respondents. Petitioner submitted no evidence to show the parties intended to contract contrary to the presumption of the work for hire doctrine. Indeed, petitioner has taken the position that the parties never reached any agreement regarding her rights (J.A. 55).

B. SECTION 301 OF THE NEW ACT CREATES A SINGLE FEDERAL SYSTEM FOR COPYRIGHT PROTECTION

The New Act was signed by the President on October 19, 1976, but its effec-

tive date was postponed to January 1, 1978. Pub. L. No. 94-553, 90 Stat. 2541 (1976), 17 U.S.C. Sections 1 - 810, effective January 1, 1978. The revised Act amends in its entirety the United States Copyright Law. 1909 Copyright Law, 17 U.S.C. §1 et seq., amended by Public Law 94-553, 90 Stat. 254 (1976), signed effective January 1, 1978. This amendment includes a revision of the "work for hire" doctrine and creation of a single national copyright law. New Act, 17 U.S.C. 101 and 301, effective January 1, 1978.

The dual system of protecting works under common law before publication and under the 1909 Act after publication is pre-empted and abolished according to §301 of the New Act which creates in place thereof a single unified system of federal statutory protection for all

published and unpublished works. New Act, 17 U.S.C. 301.

Section 301(a) of the New Act reads:

> "(a) On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in the works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State." (Emphasis added).

C. THE NEW ACT EXPRESSLY MANIFESTS THE INTENTION TO BE OPERATED PROSPECTIVELY AND, THEREFORE, DOES NOT DIVEST RESPONDENTS OF THEIR EXCLUSIVE OWNERSHIP OF THE COPYRIGHT

"Acts of Congress are generally to be applied uniformly throughout the country from the date of their effectiveness

onward." United States v. Estate of Donnelly, 397 U.S. 286, 294 (1970). "A retroactive . . . law, in the legal sense, is one that takes away or impairs vested rights acquired under existing laws, or crates a new obligation . . . in respect of transactions or considerations already past." 82 C.J.S. Statutes, §412.

To grant the relief petitioner seeks requires giving the New Act retroactive operation. To grant the relief petitioner seeks under the New Act of a property interest in the diet book would be to impair property rights belonging to respondents in the copyright which vested in past transactions when the 1909 Act was in full force and effect.

In its decision in Green v. U.S., 376 U.S. 149, 160 (1964), the Supreme Court stated the well-settled rule of

construction that statutory enactments operate prospectively unless there is clear legislative intent to make them operate retrospectively. The Court stated: "the first rule of construction is that legislation must be considered as addressed to the future, not to the past * * * [and] a retrospective operation will not be given to a statute which interferes with antecedent rights * * * unless such be 'the unequivocal and inflexible import of the terms, and the manifest intention of the legislature.'" Green v. U.S., 376 U.S. 149, 160 (1964). (Emphasis added).

The manifest and unequivocal intention of the statute to operate prospectively is shown by the following:

1. Section 301 of the New Act expressly states that it shall apply "on and after January 1, 1978." New Act, 17

U.S.C. 301(a).

In the Court of Appeals decision, Judge Kaufman stated:

> "Roth's interpretation of §301, while imaginative, is wholly unsupported by the congressional intent, as indicated both by the terms of that provision and its legislative history. Fairly read, §301 merely provides the rights accruing to the owner of a copyright, those 'specified in section 106,' are defined pursuant to the 1978 Act, rather than prior law. Whoever holds an interest in a copyright on or after January 1, 1978, has a right to the protections afforded by the new statute, although the creative work may previously have been governed by the 1909 Act or the common law. Section 301 does not, however, purport to determine who holds a copyright for works created before January 1978. It merely clarifies the rights of individuals owning copyrights on that date, whomever they may be."

* * *

Judge Kaufman continued:

> "Nothing in the House or Senate reports accompanying the proposed Copyright Act evinces an intention to have the work

> for hire provisions retroactively apply. The total absence of consideration of the issue by the drafters would be sufficient to undercut Roth's claim, for it is well-settled 'that a retrospective application will not given a statute . . . unless such be ' the unequivocal and inflexible import of the terms, and the manifest intention of the legislature.'' Union Pacific R.R. Co. v. Laramie Stock Yards Co., 231 U.S. 190, 199 (1913) (citations omitted); see United States v. Security Indus. Bank, 51 U.S.L.W. 4007, 4010 (U.S. Nov. 30, 1982); Green v. United States, 376 U.S. 149, 160 (1964)."

2. The New Act was signed by the President in 1976, but its effective date was postponed to January 1, 1978. New Act, 17 U.S.C. 101 et seq. "If there has been postponement of effective date of statute that is some evidence that retroactive application was not intended." Ocean & Atmospheric Science, Inc. v. Smyth Van Line, Inc., 446 F. Supp. 1158 (S.D.N.Y. 1978).

3. Section 201 of the New Act governing determination of initial copyright ownership describes the person who initially owns a "work for hire" in terms consistent with the doctrine in effect under the 1909 Act.

According to §201(a) copyright vests initially in the author of the work. Section 201(b) governs vesting of ownership in "works for hire":

> "Works Made for Hire.--In the case of a work made for hire the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright." New Act, 17 U.S.C. 201(b). (Emphasis added).

In the event all the indicia of ownership were present while the 1909 Act was extant, §201(b) of the New Act preserves that right.

Describing the owner of a "work for hire" as a "person for whom the work was prepared", avoids impairment of ownership already vested at the time the 1909 Act was in effect. The definition of "works for hire" contained in §101 of the New Act applies to works prospectively to determine ownership in "works for hre" not yet vested as of January 1, 1978, the effective date of the New Act.

In the case of May v. Morganelli-Heuman & Assoc., 618 F.2d 1363, 1368 (9th Cir. 1980), the Court would not give retroactive effect to the definition of "work for hire" contained in §101. The Court applied the doctrine in force under the 1909 law at the time the indicia of ownership vested in the independent contractor who might not have qualified as owner under the New Act.

4. The manifest intent of the New

Act is to operate prospectively so as not to impair substantive rights, such as ownership, applies equally to vested causes of action already existing prior to its effective date. The intention not to impair vested causes of action is manifested in §301(b)(2) of the New Act which reads:

> "(b) Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to -
>
> * * * *
>
> (2) any cause of action arising from undertakings commenced before January 1, 1978; (Emphasis added).

"The cause of action is the concurrence of the facts which give rise ot an enforceable claim." U.S. v. Standard Oil of California, 21 F. Supp. 645 (S.D. Calif. 1937). "While it is generally held that there is no vested right in any particular mode of procedure or remedy,

Am. Jur. (2d), Constitutional Law, §427 quoted in Superior Motors, Inc. v. Winnebago Industries, Inc., 359 F. Supp. 773 (D.S.C. 1973), [i]t is clear that a right of action may be vested, and, if so, it becomes the property of him in whom is is vested. . ." Barr v. Preskitt, 389 F. Supp. 496 (D. Ala 1975), Jacobus v. Colgate, 217 N.Y. 235, 240-244, 111 N.E. 837 (1916). A remedial statute is not retroactive merely because it may depend upon antecedent facts for its operation. Chovan v. E.I. DuPont De Nemours & Company, 217 F. Supp. 808 (E.D. Michigan 1963) citing Cox v. Hart, 260 U.S. 427, 435 (1922).

"Accordingly, [t]he general rule that statutes are to be construed as prospective only . . . does not automatically apply to remedial or procedural statutes which do not enlarge, diminish

or destroy contractual or vested rights but relate only to remedies . . . not within the rule against retroactive operations, [which] are generally held to operate retroactively." 82 C.J.S. Statutes, §416.

In cases involving the determination of the issue whether the pre-emption section of the New Act precludes relief sought, §301(b)(2) has been construed literally to preserve causes of actions arising out of works created or commenced prior to 1978, May v. Morganelli-Heumann & Assoc., 618 F.2d 1363, 1368 (5th Cir. 1980); Meltzer v. Zoller, 520 F. Supp. 847, 854 (D.N.J. 1981) DC Comics, Inc. v. Filmation Associates, 486 F. Supp. 1273, 1278 (S.D.N.Y. 1980); Orth-O-Vision, Inc. v. Home Box Office, 474 F. Supp. 672, 684 (S.D.N.Y. 1979), while other cases have given §301(b)(2) a more limitd construc-

tion to preserve cause of action arising prior to 1978, Burke v. National Broadcasting Company, 598 F.2d 688, 691 n.2 (2d Cir. 1979); Birnbaum v. United States, 588 F.2d 319, 326 n.15 (2d Cir. 1978), Strout Realty, Inc. v. Country 22 Real Estate, 493 F. Supp. 997, 999-1000 (W.D. Mo. 1980); Bromhall v. Rorvik, 478 F. Supp. 361, 366 (R.D. Pa. 1979).

The New Act clearly intends to preserve rights and expectancies arising out of past transactions. No Congressional intention is expressed to retroactively apply the definition of "work for hire" contained in §101 of the New Act to take away ownership of "works for hire" vesting prior to 1978. Indeed, the Congressional intention as manifested under Sections 201(b) and 301(b)(2) of the New Act clearly calls for prospective appli-

cation to preserve existing rights.

CONCLUSION

The writ of certiorari should be denied with costs.

Respectfully submitted,

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